



No. 38,667

Dept.

## NEWS SUMMARY

## GENERAL

## Floods threaten 750 homes

Selly, Yorkshire, prepared for mass evacuation because of floods. The threat to more than 750 homes grew as the River Ouse broke floodbanks to the north.

A train stood by to take residents to reception centres. Social services had already handled 100 evacuees and arranged a further 1,300 places. Weather forecast, Back Page.

## All-out strike call at Sealink

Union officials representing 1,200 Sealink-UK officers called for an all-out strike at the company's nine domestic and continental ferry ports.

The action was called after a management decision to withdraw services at Newhaven and reduce them at Harwich.

## Pledge on Poland

West Germany is ready to work with its Western allies to give financial aid to Poland if the Warsaw military regime permits a return to reform, Foreign Minister Hans Dietrich Genscher said. Back Page.

## China visit

Premier Mrs Thatcher will pay an official visit to China in late September, deputy Foreign Secretary Humphrey Atkins said after talks with Chinese premier Zhao Ziyang.

## Scientist hurt

Top Irish forensic scientist Dr James Donohoe was seriously injured after being blown to by a car bomb as he drove to work in Dublin.

## Iran executions

Exiled Iranian guerrilla leader, Massoud Rajavi, said in Paris that Tehran's clergy-led regime had executed more than 8,000 over the last six months.

## Boots beats blaze

Texas oil troubleshooter Boots Hansen snuffed out a 40-ft flame at a rogue oil well in Yorkshire. It had been burning since December 21 after a blow-out. Page 5.

## Arson warning

Arson attacks on English-owned holiday homes in Wales are to be stepped up, the Welsh extremist group, Sons of Gylfwr, warned.

## Sari banned

Pakistan banned women Government workers from wearing saris because they are un-Islamic. Women must wear long shirts and baggy trousers.

## Rape fine 'pitiful'

Father of a 17-year-old rape victim said the £2,000 fine on the girl's attacker, businessman John Allen, was unjust and pitiful.

## Spam search

Health officials are searching for a consignment of contaminated Spam after a woman in Rugby, Warwickshire, opened a 6 oz can of rotten meat.

## Beggars' union

Beggars in Jaipur, north India, formed a union with the slogan "Beggars of the world unite."

## Briefly...

India drew the fourth test with England in Calcutta finishing at 170 for 3.

Prince Charles, who owns an Aston Martin, granted the company the Royal Warrant of appointment.

Wales' population will rise from 2.8m to more than 3m by the year 2010, according to a Government survey.

Joanetta Thomas, 112, thought to be Britain's oldest person, died in Cowbridge, South Glamorgan.

## BUSINESS

## Dollar eases; equities recover

DOLLAR slipped to DM 2.2485 (SWF 1.811). It was down at ¥219.5 (¥219.5). Its trade-weighted index was 106.8 (107.2). Page 25.

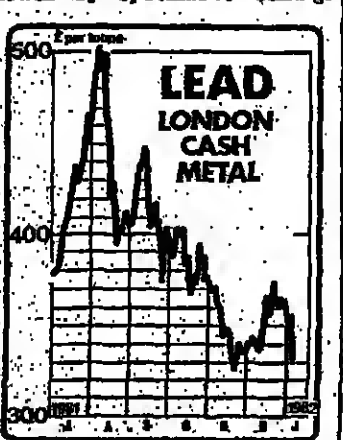
STERLING went up 1.15 cents to \$1.924. It closed at DM 4.225 (DM 4.275). SWF 3.4825 (SWF 3.465) and ¥222.5 (¥220). Its trade-weighted index was 91.5 (91.4). Page 25.

GOLD fell \$3 to \$402.5. Page 25.

EQUITIES opened lower, but staged a technical recovery and moved up strongly after-hours. The FT 30-share index moved up 5.5 to 523.7. Page 25.

GLXS regained some of the ground lost Tuesday. The Government Securities index gained 0.11 to 62.06. Page 25.

LEAD prices were pushed lower by speculative selling.



Cash lead, highest 225 down at \$431 a tonne. Page 27.

WALL STREET was off 6.38 to 558.92 near the close. Page 26.

FRENCH GOVERNMENT announced inflation control plans, unfreezing many service sector prices while negotiating price moderation agreements in others. Back Page.

BRITISH TELECOM announced plans to link companies in the UK with the Satellite Business Systems private communications network in the U.S. Back Page.

NORTHERN IRELAND spending by the Government is to be increased by £90m to a total of over £3.5bn in the next financial year. Back Page.

SYSTEM X, the UK's advanced electronic telephone exchange, is being entered in the bidding for a project to modernise and expand India's network. Page 4.

BOEING is ready to roll out its new narrow-bodied, twin-engine 757 next Wednesday near Seattle. Page 4.

ROLLS-ROYCE CARS expects North America to be its biggest single market this year. Page 6.

GAS PRICE for British industrial and commercial users in 1981 compared favourably with France, Belgium and Italy, but was significantly higher than in West Germany, according to a survey. Page 6.

NEW ZEALAND meat shipments reached a record 767,370 tonnes last year, a jump of 39,020 tonnes over the previous total. Page 27.

LEGAL AND GENERAL Group reported record new life and pension business in 1981 and its worldwide business. New annual premium rose 3.5 per cent to £103.1m. Page 20.

MCCORQUODALE, the specialist printer, finished the year to end-September slightly higher at £5.01m (£4.9m). Page 20.

BROWN AND TAWSE, steel and tube stockholder and engineer, reported profits of £1.38m (£1.03m) for the six months to end-September. Page 20.

## Post Office fund to seek injunction on Gill compensation

BY JOHN MOORE

A COURTROOM battle is set to break out over the record compensation package worth more than £700,000 which Associated Communications Corporation, the entertainment conglomerate headed by Lord Grade, intends to pay to its former managing director.

The Post Office Superannuation Fund, which holds 2.5 per cent of Associated's non-voting "A" shares, is seeking an injunction against the company to stop Mr Jack Gill, 62, the former managing director, receiving £590,000 in cash.

The fund is also seeking to stop Mr Gill from being allowed to buy a company house, with a market value of £275,000, for £165,822.

The unusual move by a major investing institution, which is being supported and largely financed by the National Association of Pension Funds, has come against a background of mounting anger over the circumstances of Mr Gill's departure from the group and the size of the payment which is intended to be made to him.

Sir Leo Phibbs, a director of Associated, has described the episode as "unsavoury and distasteful." He said yesterday: "If minority shareholders feel the need to take additional action they should be able to do so. I am not critical of their action."

Associated had planned to hold a meeting on Friday of

voting shareholders to approve the compensation payment to Mr Gill, who has been acting as a consultant to Trident Television in recent months.

Lord Grade was believed to be in the U.S. yesterday. Approval of the package looked a foregone conclusion until yesterday, as Lord Grade holds 27.6 per cent of the voting shares, and Mr Gill holds another block of shares of 15 per cent which he could cast if the vote seemed in doubt.

Lord Matthews, another Associated director who owns and influences another 9 per

cent of the shares, had said he planned to vote against, but other directors representing 45.3 per cent of the shares had undertaken to vote in favour of the £560,000 cash payout.

But lawyers for the Post Office Superannuation Fund are seeking an undertaking from Associated that, regardless of the outcome of Friday's meeting, no payment will be made to Mr Gill until the court has decided on the injunction bid. The matter is due to come before the court next Monday.

Gill pay-out tax change call, Page 5.

## ANGER OVER HABITAT BID

Pension fund investors who are angry over a £117.6m takeover bid by Habitat, the home furnishings group, for Mothercare, the specialist retail chain providing clothing and accessories "for the mother to be and her baby," have formed a special "case" committee to review the bid, John Moore writes.

The institutions are annoyed that Habitat has embarked on an ambitious "growth-by-acquisition" programme shortly after seeking a public quotation on the London stockmarket in October. They argue that the investment in a growth stock and that their investment could be diluted by Habitat taking over Mothercare, which is a larger group.

The Prudential Insurance

Company, in a separate initiative, had meetings with Mr Terence Conran, chairman of Habitat, yesterday. The Pru stressed that "what is happening is just an extension of our normal policy of getting to know companies we invest in. We are just having a friendly chat. We have not met Mr Conran since Habitat came to the market."

The moves on Habitat have come at a time when institutional concern in the affairs of the companies they invest in is growing. Earlier this week there were suggestions that institutions shareholders were unhappy about the terms offered by Alexander and Alexander, the second largest U.S. insurance broker, for Alexander Howden.

## Regan expects tax increases to keep down U.S. deficit

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan reluctantly increase "taxes" to a dispositive rather than a spending cut, to keep the U.S. budget deficit below an unprecedented \$100bn (£52bn) in each of the next two financial years, Mr Donald Regan, the Treasury Secretary said yesterday.

The White House, which was yesterday still putting the finishing touches to President Reagan's proposals for the fiscal year 1983, said no final decision on tax increases had been made. President Reagan's belief in tax cuts as a stimulus to the economy has so far led him to resist pressure for such a move, despite the enormous deficits looming up.

But Mr Reagan said in a television interview he thought there would be tax increases as well as continuing increases in defence spending.

The Treasury Secretary has made it clear that Mr Reagan's overall three-year plan for cuts in personal and business taxes — one of the cornerstones of his economic programme — would not be affected. And he indicated that the President

was still resisting pressure from key Republicans in Congress to introduce a windfall profits tax on natural gas, which, it has been estimated, could bring in up to \$20bn a year.

Options for increases included excise taxes on beer and wine, Mr Reagan said. The Administration has also studied "user" fees for people needing public services like coast guards, and fresh measures to close tax loopholes.

The Treasury Secretary said that if the proposals were accepted, deficits for the two fiscal years 1983 and 1984 would be "much lower" than \$100bn. Mr Reagan originally promised to bring the budget into balance by 1984.

Unofficial administration estimates last month put the 1983 deficit at \$153bn and the 1984 figure even higher, at \$163bn. But Mr Reagan said yesterday that these were "raw" figures, which had "no semblance" to what the President would be delivering to Congress's budget message would progress on February 8.

Mr Reagan rejected Tuesday's prediction by Dr Henry Kaufman, the Wall Street Economist, that U.S. interest rates this year would return to last year's near record levels of more than 20 per cent.

Mr Reagan also confirmed that the President was still determined not to let his budgetary problems interfere with his plans for a massive build up of America's defence — despite the likelihood of strong opposition in Congress at a time when social programmes are subject to continuing cuts.

The target for defence spending in fiscal 1983 was a 15 per cent increase — or 7 per cent after inflation — bringing total obligations to \$245bn. Mr Reagan said. Actual defence spending next year would rise by 18 per cent to \$215bn.

At the White House, Mr Larry Speakes, the deputy Press Secretary, said that Mr Reagan would make his final decisions on the fiscal 1983 budget by the end of the week. The only way to get control of the budget was to "get hold of these escalating entitlement programmes," he said.

## RTZ raises offer for Ward

BY DUNCAN CAMPBELL SMITH

RIO TINTO-ZINC, Britain's largest mining group, has increased the terms of its seven-week-old bid for Tbos. Ward, the industrial holding company. Ward rejected the new terms as "still clearly inadequate."

RTZ is offering convertible loan stock or a 25p cash alternative for each of Ward's shares, which last night valued the company at £130m or £131m respectively, against the £111m value of RTZ's initial bid. RTZ's 9 1/2 per cent 1985/2000 loan stock closed 1/2 lower at 97.

The offer is also increased to include the final dividend of 5.2p per share already recom-

mended by Ward's board and worth an additional 53m. This gives the new offer an effective per share price of 230p and Ward's shares, trading cum-dividend, closed at that level last night up 12p.

Under Takeover Panel rules, RTZ is now allowed to buy in the market at up to 230p. Sir Alistair Frame, RTZ's chief executive, confirmed that it had bought "a fairly large number" during the day to add to its existing 15.4 per cent stake in Ward. RTZ's own shares closed 3p lower at 427p.

Sir Alistair said RTZ and its advisers, Morgan Grenfell, had talked to Ward's major insti-

tutional shareholders and "had got the feeling that a higher price than 190p was going to be required." Most of these shareholders are believed to be also major holders of RTZ shares.

The new bid will remain open until January 26. Sir Alistair described it as "more than generous" and added that it was "virtually certain" to be RTZ's last offer.

Mr Peter Frost, chairman of Ward, said the company and its advisers, S. G. Warburg, thought it significant that RTZ had put nothing formally in

Continued on Back Page  
Lex, Back Page

## Ford men 'likely to accept' 7.4% rise

By Ivo Dawson

UNION LEADERS representing Ford's 54,000 manual workers were confident last night that a majority of the workforce had endorsed their recommendation to accept the company's pay offer.

Yesterday mass meeting at 15 plants, representing a total of 22,500 workers, agreed to the 7.4 per cent offer, while six plants — accounting for 15,210 workers — rejected the settlement.

Votes taken early this morning by three Dagenham night-shifts as well as polls due later today from Halewood transmission shop and the Langley truck division account for a further 11,350 workers.

But union leaders said last night that the trend indicated that acceptance of the offer was virtually certain.

Mr Ron Todd, chief negotiator for Ford's 13 unions, said the traditional method of assessing the outcome of the poll by allocating one vote to each plant already showed a majority for acceptance.

Mr Jack Whyman, secretary of the 56-strong negotiating committee, said last night that the meetings had produced a good result for the unions.

"As far as I am concerned there are enough votes now for a majority," he said. "I am confident that other locations will follow the trend."

Earlier in the day 10,000 workers at the Halewood body and assembly plants voted by a majority of more than three to one to oppose the deal, adding to the initial unease of the union leadership.

But afternoon polls of day-shift workers at the Dagenham assembly, engine and foundry plants showed a substantial majority for acceptance. The body plant, however, returned a split vote with no clear decision.

The unions' negotiating team will reconvene in London tomorrow to announce the result and prepare for a final meeting with management next Wednesday where the details of the package will be hammered out.

Unofficial strike action at Halewood continued yesterday. Shop stewards warned they

Continued on Back Page  
Disastrous sales year for Ford in U.S., Page 3

£ in New York

Jan. 5 previous

Spot 1.18945 94501 1.9550 9570

1 month 0.55 0.28 dis 0.40 0.55 dis

3 months 0.75 0.58 dis 0.85 0.85 dis

18 months 1.10 0.90 dis 1.45 1.25 dis

## Labour wrangles may be over after meeting

BY JOHN LLOYD, LABOUR CORRESPONDENT

TALKS between Labour Party and trade union leaders last night produced a convincing appearance of unity and a possible truce between left and right.

The one-and-a-half day conference called by the Trade Unions for Labour Victory organisation heard Mr Michael Foot, party leader describe it as "historic."

Mr David Basnett, general secretary of the General and Municipal Workers' Union and chairman of the TULV has guided the trade unions into a dominant role over the party. He made it clear afterwards that the status quo over the party's constitution, the leadership and deputy leadership would be maintained at least until 1984.

"We have a leader and we have a deputy leader and I don't think that will be disturbed. We have had debates over constitutional issues. I don't think they will occur again," he said.

Union leaders left the meeting at Bishops Cleeve convinced that Mr Tony Benn will not challenge Mr Denis Healey, deputy party leader, in the immediate future. This was an impression Mr Healey appeared to share, although Mr Benn would not confirm that he would not stand again.

Mr Healey said: "The unanimous feeling was that the wrangles must stop. This is very much a turning point in our affairs. The Labour move-

ment is pulling together while the SDP is pulling apart."

Mr Foot said his impression was that Mr Benn would not stand again, was fortified by the meeting.

Mr Benn has been left in no doubt that he can expect minimal union support if he decides to stand once more.

The structure of the conference and the unions' clear determination only to support a Labour Party which presents a consistent set of policies and a united front showed that the unions are in the driving seat of the Labour movement.

Mr Basnett and other union leaders denied that they wished to take any part in policy-making. However, they have effectively barred inner-party electoral contests on pain of bankruptcy, exercised at least a financial veto over party programmes, and will intervene heavily in local party affairs.

Both union and party representatives swore "euphoric" over the outcome of the meeting. All sides pledged themselves to unity in the fight against the Conservatives.

Commitments included: ● That the unions would fund Labour's campaign to put its policies to the country in the coming months.

● That they would undertake to improve the party's parlous financial base in a phased programme over the next five years. A director of finance will be appointed.

Continued on Back Page

## £1.5m loss for Quest

BY DOMINIC LAWSON

QUEST AUTOMATION, Europe's largest independent manufacturer of computer-aided design systems, yesterday reported a first-half pre-tax loss of almost £1.5m. The figure, for the half-year to August 21, excludes doubled research expenditure of £901,000 and is sharply higher than the loss of £347,000 for the comparable 1980 period.

The company said it expected to make a loss over the full year. Last year it reported pre-tax profits of £813,000.

The share price fell 25 per cent from 335p to 100p after the results were announced. At one point the price was 85p.

One jubber described the company's figures as "absolutely disastrous."

Mr Tony Ebel, managing director, blamed the results on falling demand for the company's larger systems. Quest would continue to "plough

money into fixed assets and expand out product range."

Quest has been handicapped by having no presence in the U.S. market which accounts for 60 per cent of world demand. It has traditionally exported 15 per cent to 20 per cent of its turnover to Warsaw Pact countries.

Quest obtained full Stock Market quotation last November. Four months earlier the National Enterprise Board (now part of the British Technology Group) put nearly £2.9m into Quest to increase UK presence in the market for computer-aided design/manufacturing products.

The British Technology Group said it continued to look on Quest as a company with "very good growth prospects on a long-term view." It "had absolutely no regrets about the investment."

Details, Page 20



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## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS		FALLS	
Treasury 3% 1986	269 1/2	Vickers	150 + 8
Atkins Home	165 + 10	Ward (T.W.)	220 + 12
Bank of Scotland	515 + 17	Venterspost	428 + 11
Berlford (S. & W.)	128 + 7		
Brown & Tawse	140 + 10		
Guinness Peat	95 + 7	Amstrad	217 - 13
Holden (A.)	102 + 5	Europam	124 - 31
Int. Paint	217 + 7	Mercantile House	410 - 13
Kitchen Taylor	102 + 7	Quest Automation	200 - 33
McCormac	138 + 6	Berkley Exp	245 - 10
P & O Deid	360 + 7	Cambridge Petroleum	285 - 10
Plassey	355 + 10	Allstate Exploration	24 - 4
Polly Peak	197 + 11	De Beers Deid	350 - 7
Royal Bank Scotland	197 + 11	Kitchener Mining	95 - 5
Slintnight	93 + 4	Renison	285 - 8
Tate & Lyle	208 + 8	Santos	395 - 15
Tunnel	525 + 15	Tara Exploration	497 - 8
Unigate	108 + 10	Western Continental	40 - 10
		Western Mining	234 - 8

## North Sea revenues: the oil tax

teaser

Economic viewpoint: a guide for the

perplexed

China: foreign interest grows in offshore

oil

Business law: Swiss banks' hidden write-

offs

## Marketing: the UK's recession-within-a-

recession

Technology: Ferranti's military micro-

computer

Editorial comment: inner cities;

Mexico

Lombard: Jonathan Carr on the rift

between Paris and Bonn

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## EUROPEAN NEWS

## Questionmark hangs over role of Communist party

BY OUR FOREIGN STAFF

THE FUTURE role of the Communist Party in Poland is rapidly becoming one of the most important problems to be faced by the military authorities as they look beyond the immediate task of making the country function under martial law.

Reports from Warsaw say that some senior party officials have discussed the possibility of disbanding the Party altogether.

This drastic suggestion was apparently made during a visit by a high-level Hungarian delegation in Poland last week. Mr Janos Kadar, Hungary's President, apparently warned General Wojciech Jaruzelski some months ago that the Solidarity union could not be controlled without the imposition of martial law.

The corollary of this is the



Communist Party's continuing collapse under martial law, even though hardliners in Poland and commentators in Moscow have been urging the

party to revive itself. But there are reports of party membership decreasing sharply even during the past four weeks. The number of members is now reckoned to be about 1.5m compared with 3m in July last year.

Thousands of members of the Warsaw branch, considered one of the most conservative, are said to have resigned. In Gdansk, two thirds of the university teaching staff are believed to have handed in their cards, while in many factories baskets have been put out to collect returned party cards.

Meanwhile, General Jaruzelski has been exploring ways of establishing a new political framework within which the Communist Party would play a less exclusive role than hitherto, perhaps in some form of alliance with other poli-

tical parties. Recent efforts to set up a Christian Democrat Party have already been scotched by discouragement from the Church but may indicate the way in which the authorities are thinking.

At Monday's first meeting of a new socio-economic committee set up under the chairmanship of Mr Mieczyslaw Rakowski, the Deputy Premier, the members included the leaders of the Democratic Party and of the Peasants' Party.

These 'tiny' parties were formerly 'safe' components of the coalition that governed Poland with the Communists before martial law. Recently, however, they had been trying to establish a more independent role.

The general has also set up two other committees to explore ways of creating a new political framework. One is led

by Mr Stefan Olszowski, the bardianer party politburo member, who is trusted by Moscow as much as he is hated by Solidarity. He can be expected to argue for a reorganisation of the Communist Party as it stands.

The other committee is headed by Mr Hieronim Kubiak, an intellectual from Krakow who is probably the least committed member of the revamped politburo which emerged from last July's party congress and who had earlier suggested that the party should share power with other elements of Polish society.

Wardens guarding Solidarity internees at a camp in Strzelbinek have twice had to be replaced because they are being 'demoralised' by the inmates, according to recent visitors. The morale of the internees is said to be high, with

many wearing Solidarity badges decorated with pictures of prison bars.

At another camp, at Pruszez, younger members of the union had been held in tents, according to the same report.

Meanwhile the recent photographs of violence on the Baltic coast during the first week of martial law are being buttressed by details of injuries. A raid against workers at the Gdansk oil refinery is said to have caused some deaths, with 10 serious casualties known to have been admitted to hospital. Workers are said to have been forced to lie on the snow in chains, while some were beaten with iron bars.

The elder son of Mr Rakowski has asked for political asylum in Spain, a week after the politician's younger son defected in West Germany.

## Juan Carlos bid to win over armed forces

BY ROBERT GRAHAM, IN MADRID

KING JUAN CARLOS of Spain yesterday made a significant effort to win the full co-operation and loyalty of the armed forces in a speech marking the traditional military celebration of Epiphany. The tone of the King's speech was low key and in stark contrast to the firm call to order he issued just before the coup attempt last February.

Since then the King has devoted much time and energy to trying to appease the armed forces and regain the confidence of those elements who felt betrayed by his rejection of a military-backed government.

The speech, delivered in the presence of all senior members of the armed forces at the royal palace in Madrid, emphasised concern about the military about unfair and sensational treatment in the media. The King implicitly criticised some media coverage stating that the armed forces had been subjected to 'exaggerated attention'. He also sympathised with their difficulties in replying to what they regarded as unfair or unjust Press treatment.

The armed forces were reminded, however, that they were not the only body affected by the transition to democracy. Nor did they have a monopoly of patriotism. No matter how much they might disagree with what was happening in Spain, said the King, they were bound to behave in a constitutional way and not to resort to acts of indiscipline.

The King also denounced the circulation of pamphlets within the armed forces that sought to create divisions. Many of these pamphlets have been hostile to the King himself and have been

strongly anti-democratic in tone. His denunciation of this pamphleteering and rumour-mongering underlines the extent of his concern over continued unrest.

He went on of his way to call upon the military to achieve a better understanding among themselves.

The theme of media treatment of the armed forces has also dominated in a series of statements made by Sr Alberto Oliart, the Defence Minister, during the Epiphany ceremonies which were held yesterday and on Tuesday.

This appears to be connected directly to the tension created by the publication in December of a manifesto signed by 100 officers and NCOs protesting against media treatment and sympathising with those involved in the coup attempt. Thirty-nine signatories are still detained in various parts of Spain.

This punishment has been one of the first signs of firmness in dealing with dissent. The joint chiefs of staff, along with the Government, have also done their best to stamp out efforts to start a sympathy movement within the forces since the manifesto's contents were seen as one further move to increase the climate of tension in the run-up to the trials of the 32 officers involved in last February's events.

At the same time the Government and military leaders have done to great lengths to remind the Press of their responsibilities in reporting the military and of the latter's sensitivities. Sensational treatment of the trials that humiliates the armed forces as an institution is a serious government fear.

## Premier will try to speed EEC entry

BY JOHN WYLES IN BRUSSELS

SR LEOPOLDO CALVO SOTELLO, the Spanish Prime Minister, will today attempt to speed Spain's negotiations to join the European Community.

Making his first visit to Brussels as Prime Minister, Sr Calvo Sotelo will urge both the Belgian Government, now occupying the Presidency of the EEC Council of Ministers, and the European Commission, to try to complete negotiations this year. Spain could then become a member by January 1, 1984.

He is expected to emphasise the growing disillusionment in Spain about EEC membership because of the lack of progress in the negotiations, which began nearly three years ago.

In public relations terms, Sr Calvo Sotelo may find his talks less fruitful than the visit to London which he will make tomorrow. This is expected to yield an Anglo-Spanish agreement on a date for re-opening the border between Spain and Gibraltar, which might in turn raise the prospect of a lifting of Madrid's sanctions against the Rock.

Sr Calvo Sotelo was the Spanish minister in charge of EEC entry negotiations when they began, and his decision to make a personal appeal for speedier progress is seen as a measure of Madrid's concern. The negotiations, and also

those with Portugal, have been held up since June 1980 when France with the silent support of most other member-states, decreed that none of the major issues could be settled until the Community had agreed its own internal reforms of agriculture and the budget.

Since then, the Ten's commitment to Spanish membership has seemed increasingly more rhetorical than real. Last November's EEC summit in London upset the Spaniards, rather than reassured them, by reaffirming the Ten's commitment to accept both Spain and Portugal as members without any mention of a target date or a promise to complete negotiations quickly.

Only M Gaston Thorn, the European Commission President, has mentioned recently the 1984 target date. That was during a visit to Madrid last week which some Spanish officials claim did little to help maintain public enthusiasm for membership.

In an attempt to satisfy the Spaniards, the Belgian presidency is expected to try to push the Community towards agreement on a number of the relatively less controversial aspects of Spanish policy, movement of capital and harmonisation of legislation.

## Production of coal falls by 34m tons

WARSAW (Censored) — Polish miners extracted 183m tons of coal in 1981, 12m tons less than originally planned and 34m less than in 1980, the official news agency PAP reported.

It blamed the shortfall on the five-day working week, won by miners during strikes in 1980, and work stoppages. The reduction in output has cut severely into Poland's ability to earn hard currency needed to repay its \$27bn gross foreign debt. "The decline in production directly affected the export of coal. Last year's exports amounted to a mere 15m tons, that is, 18m tons less than in 1980, which means a loss of \$1.1bn, said the agency.

Last year, when the Solidarity union was still active, officials said continuing shortfalls could bring the staggering Polish economy to a halt. Coal exports had been the country's principal source of convertible currency.

The reduction in coal production has also meant a further squeezing of industrial output which fell about 15 per cent last year compared with 1980, according to latest figures. AP

## Britain protests over jamming of BBC

Mr Viktor Popov, the Soviet ambassador to Britain, was summoned yesterday to the Foreign Office by Lord Trefgarne, a junior Minister, and told that the Government "strongly deplores" the jamming of BBC Polish language broadcasts, agencies report. Lord Trefgarne made it clear that Britain believes the Soviet Union is responsible for the jamming.

The BBC announced on Tuesday that all its Polish transmissions were being jammed. Engineers had traced the jamming to Smolensk and Kaliningrad, in the Soviet Union.

## Call to Greece

Belgium, as president of the European Community Council of Ministers, yesterday asked Greece to clarify its stand towards an EEC statement on Poland, a Foreign Ministry spokesman told Reuters. Athens has said it does not consider bound by the communiqué issued after a foreign ministers meeting on Monday.

## TOUGHER STANCE OVER CLAMPDOWN CONSIDERED France may cut Soviet gas order

BY TERRY DODSWORTH IN PARIS

FRENCH MINISTERS are considering a reduction in planned purchases of Soviet gas to back up the Government's tough diplomatic line over the Polish military takeover.

The argument in the French administration revives a debate that has been going on during the past 18 months over the amount of gas the country should buy via the new Russian pipeline to Western Europe.

France has reached an informal outline agreement for the delivery of 8bn cubic metres of Soviet gas a year, amounting to about 33 per cent of the country's projected gas

needs in 1990. But opponents would like to see this cut by at least half.

The Government's willingness to reconsider the gas contract marks a volte face after the rejection of recent U.S. warnings against increasing France's dependence on Soviet supplies.

Following talks with a Soviet delegation in November, French negotiators were preparing to conclude the agreement and fix prices.

Doubts about the contract have come mainly from the Foreign Ministry, where some officials accept the U.S.

argument that it could be economically and politically dangerous to put the country into a position of over-reliance on Soviet gas.

According to Government plans for the increase in natural gas consumption, the Soviet supplies would account for about 5 per cent of the country's total energy use by 1990.

In addition to these fears, a cut in the proposed gas contract would give more substance to the line taken by President Francois Mitterrand on Soviet complicity in the Polish crisis.

President Mitterrand is likely to make the final decision. But it remains an extremely difficult decision because of the country's heavy dependence on its own exports in the Soviet Union.

It has recently signed three orders, worth a total of well over FF 5.5bn (£507m) for equipment for the gas pipeline, and these could be jeopardised by a reduction of the gas order. France has refused to apply economic sanctions against the Soviet Union similar to those brought in by the U.S., saying it stands to lose more than the Americans in trimming its Soviet trade.

## Washington had ruled out action by army, writes Leslie Colitt How takeover took U.S. by surprise

THE MILITARY coup in Poland on December 13 took the U.S. Administration totally by surprise.

Senior Western diplomats paint a dismal picture of petty personal rivalries, ineptitude and chaos in America's handling of the Polish crisis which has come in light in the three weeks since the military takeover in Warsaw.

They note that the vast technical resources of the Central Intelligence Agency failed to provide a single clue that a military plot was being prepared by General Wojciech Jaruzelski.

"All the sophisticated listening devices which can allegedly pick up telephone conversations in Warsaw came up with nothing," said one well-placed diplomat. "Perhaps the generals discussed their coup in a cafe where they could not be overheard," he offered.

Not only did America's vaunted "spy in the sky" satellite and its powerful ground listening posts on Poland's periphery fail to pick up any sign of the impending military move, America's diplomats too, suspected nothing.

The U.S. Embassy in Warsaw had been reporting to the State Department that the winter in Poland would be a critical time but a military crackdown had been largely ruled out.

Most of the Americans, like other foreign diplomats in Warsaw, did not believe the Polish army leadership would be able to carry out such an enormous task without tearing itself apart. The American Ambassador to Poland, Mr Frank Meehan, a highly-regarded career diplomat

thought the situation in Poland to be so unexceptional that he left Warsaw on home leave just before martial law was imposed. But not all the members of his embassy had ruled out the Polish military option.

An astute young U.S. diplomat of Polish extraction was

bureaucratic machinery before it could even reach the policy-makers.

The diplomats explained that foreign policy options presented to President Reagan were carefully filtered through his top aides from his California years — people like Mr Edwin Meese,

hility of just such a coup was the talk of Warsaw.

Did Washington expect the deep split in the Western Alliance when President Reagan announced his economic sanctions against the Soviet and Polish Governments? The diplomats say that well in advance of the army coup in Warsaw, U.S. and European officials had discussed a catalogue of reactions to various moves on Poland of which it was assumed the most likely would be a Soviet invasion. No firm commitments were made by the Europeans. This was merely a dry-run exercise, conducted by officials and not politicians. But the Europeans left no doubt that they were not enthusiastic about imposing economic sanctions of the kind being considered in Washington.

The U.S. had warned of an imminent Soviet invasion of Poland with such monotonous regularity that when the Polish army and security forces struck on December 13 it looked almost encouraging in some European governments. Here was one line of repression the Americans had largely ruled out. The Europeans felt it clearly did not warrant the more drastic retaliation proposed by Washington if the Russians invaded Poland such as halting European participation in the natural gas pipeline to be built from Siberia to Western Europe.

In the event the Europeans complained bitterly that they were barely consulted by Washington before President Reagan announced his countermeasures 16 days after the generals took over in Poland.

Mr Jozef Cyrrek (below)



## Discount rate down in Belgium

By Giles Merritt in Brussels

BELGIUM'S central bank signalled yesterday that speculative pressure on the Belgian franc has eased by reducing the discount rate a full point to 14 per cent. It is one of the most significant reductions in the country's record-level interest rates, however. The discount rate still remains a point higher than before December 11, when it was abruptly raised two points from 13 per cent in order to stem a run on the franc caused by rumours of imminent devaluation.

The franc's volatile behaviour inside the European monetary system (EMS) has calmed in recent weeks, reflecting the return to political stability produced by the formation of the centre-right coalition government by Mr Wilfried Martens.

Mr Martens' success in negotiating a Government, that ended more than two months of political vacuum, at first boosted the franc strongly. Political confidence, together with a central bank move to discourage foreign companies from speculating against the currency, briefly moved the Belgian franc in mid-December from being close to its official divergence limit in the EMS to the top of the grid.

That surge, which saw the franc gain 55 per cent in value against the European currency unit indicator of the EMS, has since settled down. Last week, the currency lost ground again

## Dutch hit hardest in EEC by recession

BY GILES MERRITT IN BRUSSELS

THE AVERAGE Dutch citizen suffered more last year from the ravages of recession than any of his neighbours in the European Community.

Luxemburgers were next hardest hit, while the British took third place in a table of provisional European Commission figures charting the decline in incomes and consumption in the EEC during 1981.

Other indicators produced by the Commission also show that the UK's industrial output improved slightly towards the end of last year, and did not show the overall deterioration evident in a number of other EEC

states, most notably the Netherlands.

The pointers in a late 1981 survey by the Commission indicate that Britain, together with France, is headed for a cyclical recovery this year.

The Commission's analysis of household incomes and private consumption in the EEC last year showed, for Britain, a 3 per cent drop in the former and a 0.8 decline in the latter. In the Netherlands, however, in sharp contrast to the 8 per cent increase for 1980 in household incomes, these decreased by 3.6 per cent last year and private income there was almost as hard-hit with a 3.4 per cent drop.

Luxembourg saw household incomes reduced by 3.3 per cent, and only France broke the trend of negative or stagnant incomes in the Community with a 1.9 per cent rise in both incomes and consumption.

In its analysis of economic prospects in the Community, the Commission notes that Britain's four percentage-point recovery in industrial production last November is further evidence pointing to cyclical recovery. The survey added that there was a "modest continuing recovery" in British industrialists' order book expectations, while in France that improvement was even more clearcut. The most recent EEC indus-

trial production statistics show that, on provisional figures up to the end of last October, Community output had risen 0.5 per cent from October 1980 levels to stand at 118.5 (1975=100). Britain, during that period, pushed its industrial production index from 106.3 to 109.

The Commission said yesterday it had persuaded two steel groups to drop a patent-sharing agreement which it considered conflicted with competition rules. Reuter reports from Brussels. The companies are Mannesmann of West Germany, with its subsidiary Mannesmann-Demag, and Concast of Zurich.

## Foreign aid controls tightened

By Charles Batchelor in Amsterdam

THE NETHERLANDS, one of the most generous development aid donors, is to tighten financial controls following the discovery that some projects have been badly managed.

Problems on two small projects in Peru costing a total of F1 6.4m (£1.3m) have led to a more thorough audit of the entire F1 3.61bn (£762m) aid programme, the Development Aid Ministry said.

The Government is already carrying out a wide review of its aid programme following a report released just over a year ago that many projects were poorly planned and inadequately supervised. The results of this review, which is expected to cover several hundred projects, should be released shortly.

The Ministry plans closer links between project leaders and the local Dutch embassy. Accountants will be attached to the larger projects, leaders of which will have to file quarterly progress reports to The Hague.

The problem has arisen because increased emphasis in Dutch accounting controls has not been matched on the projects themselves. Project leaders are also usually technical experts without administrative experience, the Ministry said.

## France moves towards new assembly for Corsica

BY DAVID WHITE IN PARIS

PLANS to set up a special administrative structure on Corsica — an unprecedented move in French Government policy towards the regions — were approved by the Cabinet yesterday and are expected to go to parliament this month.

Providing for the election of a new Corsican assembly within the next six months, the legislation is being pushed through by M Gaston Defferre, the Interior Minister, in a bid to forestall a resurgence of separatist violence on the island.

However, solutions to the questions of how much power will be devolved to the assembly and what resources it will have at its disposal will have to wait until later in the year, when the next stages of the

Mitterrand administration's decentralisation programme come up for debate.

Last-minute objections by the Council of State, the judicial advisory body, prevented M Defferre from tabling all of his "special statute" plan for Corsica last month.

The 61-member Corsican assembly is due to be elected under a proportional representation system, for a six-year period. It will appoint a president for three years. Paris will meanwhile keep its two prefects — named commissioners — on the island.

The autonomist Corsican People's Union (UPC) party has said it will take part in the elections with a list of candidates headed by Dr Edmond Simeoni, its charismatic figurehead.

## Turkish editor jailed

BY METIN MUNIR IN ANKARA

MR NAHIT DURU, editor of the weekly political magazine Arayis, was sent to a civilian prison yesterday to serve a three-month sentence.

Arayis was started by Mr Bulent Ecevit, the former Prime Minister, after the military takeover in September, 1980. Mr Ecevit was forced to leave the magazine after the military issued a decree banning former politicians from expressing their views publicly. He

violated the ban and was sent to prison on December 3 for three months.

Mr Duru, 36, was sentenced to a martial law court for an unsigned article written in Defence of Mr Ecevit, which the military found offensive.

FINANCIAL TIMES published daily except Sundays and holidays. U.S. subscription rates: \$350.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.



## Mexicans threatened with petrol rationing to slow consumption

BY WILLIAM KISLETT IN MEXICO CITY

MEXICO, the world's fourth largest oil producer, has threatened to ration domestic petrol supplies if consumption does not fall.

President Jose Lopez Portillo said the country was reaching the "abundant" stage where its refineries could not keep up with demand and some petroleum products were being imported. He said Mexico ran the risk of exhausting its oil reserves.

Since the economy "took off" in 1979, thanks to oil wealth, domestic petrol consumption has increased sharply — last year's rise was 15 per cent. The economy has been growing by an average of 8 per cent a year over the same period.

The President's threat comes two weeks after Pemex, the state oil concern, increased the price of its ordinary grade petrol by 115 per cent to just over \$1 (52p) a gallon.

The Government, faced with a drop in revenue from oil exports because of the world oil glut, with massive foreign borrowing to make up the revenue shortfall and with high state expenditure to maintain growth and counter social pressures, had little alternative but to increase domestic petrol prices. But the move was unpopular, as it is bound to boost the already high inflation rate.

The President called the present consumption level "scandalous" but observers consider it unlikely that the Government will go to the ex-



Sr. Lopez Portillo: sees situation as "scandalous"

treme of rationing petrol. Nevertheless, the President's remarks underscore his growing alarm at the situation.

The price rise was a hard won battle for the Government, which has to contend with a powerful trade union movement allied to the ruling Institutional Revolutionary Party.

The Government last week announced a wage ceiling for 1982 of almost 34 per cent — 5 per cent in real terms — to compensate workers for the petrol increase. Some unions, however, are pushing for wage rises nearer 40 per cent.

Editorial comment, Page 18

## DC-10 slat controls to be modified

BY PAUL BETTS IN NEW YORK

MCDONNELL DOUGLAS, the U.S. aerospace company which manufactures the DC-10 wide body commercial aircraft, said yesterday it is proposing to make two changes in the mechanisms that control the aircraft's leading edge wing slats as additional safeguards in the event of an engine breakdown.

The proposals will be made to the 45 users of the DC-10

at a meeting at the company's Long Beach, California, headquarters next Thursday. McDonnell Douglas announced earlier this week it was calling a special meeting to discuss modifications in the wing slat mechanisms. The decision to make modifications follows the breakdown of an engine on an Air Florida DC-10 last September which damaged the wing slats as the aircraft was about to take off at Miami.

The proposed changes would ensure that slats remain extended even if the systems that activate them are damaged severely.

One of the changes involves installing hydraulic valves to act as locks and keep the slats extended if the hydraulic lines are broken. As a further safety back-up, the company proposes to modify the cable system controlling the main hydraulic valves which con-

trol the slats.

McDonnell Douglas said yesterday that the Miami accident was not related to the 1979 Chicago disaster when an American Airlines DC-10 crashed just after take-off with the loss of 273 lives. Wing slats are on the front part of a wing and are extended to increase the size of the wing to increase the lift of an aircraft at low speeds. They are crucial in take-off and landing.

## Ford reports another disastrous sales year

BY OUR NEW YORK CORRESPONDENT

FORD, the number two U.S. car-maker, had another disastrous year in 1981 with its domestic car sales declining 5.1 per cent from the depressed levels of 1980 to 1.38m cars.

The Ford figures compare to a 7.8 per cent decline in General Motors' sales and an 11 per cent increase in Chrysler's. GM's 1981 sales totalled 3.8m cars while Chrysler's totalled

730,000. The overall sales figures of Detroit's big three last year dropped to 5.91m cars compared to 6.4m in 1980. These are the worst Detroit annual sales figures in 20 years.

But all three manufacturers expect 1982 to show an improvement although this is only likely to occur in the latter half of the year with no immediate pros-

pects of a recovery.

December was a particularly bad month for Ford whose sales declined by 37.7 per cent to 2,036 cars compared to 115,615 cars in December 1980. GM's December sales declined 19.6 per cent while Chrysler, which on balance had a better year than the other two saw its December sales drop 23 per cent.

December was the third consecutive month of sharply declining sales of new cars since the 1982 model year was launched in October.

The general U.S. economic recession and the effects of high interest rates did not spare foreign manufacturers. Volkswagen of America, whose December sales were about equal to those of December 1980, saw its total sales in 1981

## Venezuelan oil row highlights debate over economy

BY KIM FUAD IN CARACAS

PETROLEOS DE VENEZUELA, the state oil monopoly and the largest company in Latin America with sales of \$18.8bn (29.78bn) in 1980 has become ensnared in a major controversy reflecting the clash in Venezuela between tough-and-tumble politics and long-term economic interest.

The opening shots were fired in mid-December by Dr Leopoldo Diaz Bruzual, the Central Bank president, and a key economic adviser and personal friend of President Luis Herrera Campins.

Dr Diaz Bruzual, in a year-end report on the economy, charged the company with inefficient administration. He argued that growth in the oil industry's personnel and salary levels had far outpaced productivity increases in the six years since the country's main economic sector was taken over by the state.

Sharp rebuttals came from Gen Rafael Alfonso Ravard, Petroleos' president, Dr Humberto Calderon Berti, the Energy Minister, and others. But Dr Diaz Bruzual repeated

his attack two days later.

Personal and ideological rivalries have characterised President Herrera Campins's economic team ever since his Christian Democratic Administration took office in 1979.

Thus Dr Diaz Bruzual's comments were seen by some as merely a pretext to attack the Energy Minister, since both men share an ill-concealed animosity. To many observers the Central Bank president's charges were superficial and failed to take into account the complexities involved in managing one of the world's largest and oldest oil industries. The first commercial oil well was sunk in Venezuela in 1914.

Both the Petroleos' president and Dr Calderon Berti were quick to point out that Venezuela had inherited an ageing industry requiring massive financial and manpower injections in order to stem decline in existing fields can open up new areas. They noted that the industry's 40,000 workforce produces two-thirds of Government revenues while the bulk of the other 200 state-owned enter-

prises make losses.

But the controversy has deepened public pessimism over the Government's ability to stem the deterioration in Venezuela's economic performance. GNP rose 8.4 per cent in 1978, but it fell more than 1 per cent in 1980.

It has also tended to distract from what many government and private sector economists, including Dr Diaz Bruzual, see as light at the end of the tunnel in this protracted decline.

They contend that even the tiny 0.3 per cent GNP growth in 1981, despite more than a 4 per cent fall in petroleum activities, may mean that the five-year deterioration has finally reached bottom.

The prolonged decline reflects the effects of the excessively rapid growth following the 1973-1974 increase in oil prices and a deliberate cooling of the economy by the Herrera Campins Administration after it took office. Growth was sacrificed in its efforts to put the Government's finances in order and combat soaring inflation.

While the Government has reduced the inflation rate from a record 23 per cent in 1980 to around 16 per cent in 1981, the process has had a high political and economic cost. Unemployment has increased to 9 per cent, and many small and medium industries have gone out of business.

With just two years left in his five-year term, and opinion polls showing only a 20 per cent public approval of economic policies, the Herrera Campins Administration has undertaken a major effort to reactivate the economy.

While capital expenditure represents only a quarter of the \$20bn 1982 budget, the Government plans to draw upon reserves and the oil industry to build up Government capital spending to over \$10bn. Such investment is essential if renewed growth is to be achieved in a country where the state controls about 50 per cent of the economy.

Nevertheless, any real improvement in 1982 may hinge on a mixture of oil prices and

## Gadafi agrees to compensate Exxon

BY OUR NEW YORK CORRESPONDENT

LIBYA HAS agreed to compensate Exxon, the world's largest oil company, for assets abandoned by it last November at a time of growing confrontation between Tripoli and Washington.

The announcement came as a surprise, given the bitter Libyan reaction to Exxon's pull-out. The company said that it had agreed to sell its assets to the Libyan National Oil Company for "slightly less than net book value."

The Libyan company did not disclose the sum involved nor reveal what the net book value of the assets is. They included a 49 per cent stake in oil-producing operations which had been running at a rate of up to 200,000 barrels a day, and a similar share in the liquefied natural gas complex at Brega.

Libya condemned Exxon's withdrawal as "tantamount to failure to carry out legal commitments and a breach of contract." The pull-out came in the wake of growing U.S. condemnation of Libya's support for terrorist actions and the first reports of plots by Colonel

Muammar Gadafi's regime to assassinate President Ronald Reagan.

The U.S. Administration silently approved Exxon's action. But despite its encouragement to American citizens to withdraw from Libya—prior to the order in December that they should do so—the evidence is that the decision was based on commercial rather than political considerations, in particular the high price of Libyan oil.

Libya's agreement to purchase the assets left by Exxon may be accounted for by its wish to reassure other U.S. oil companies still operating in the country—Occidental, Mobil and Continental.

Exxon has said it expects to complete its withdrawal from Libya by the end of this month.

Although other major U.S. oil companies have considered following Exxon's action, they have continued to maintain their presence in the country.

Development budget cuts, Page 4

## World Bank directors approve new 1.5% fee

WASHINGTON—The World Bank's directors have voted to add a new 1.5 per cent fee on the arrangement of all new loans.

A bank official said borrowers would be able to add the fee to the total of the loans, thus spreading out the additional cost over many years. The bank's present 0.75 per cent commitment fee would continue to be charged.

The official was unable to estimate how much the new fee would bring in. But in the year ended June 30, the bank made loans totalling \$9.6bn to the poor countries of the world. A 1.5 per cent fee on those loans would have amounted to \$144m.

World Bank loans bear interest well below the current market rate. Current loans are being made with interest at 11.6 per cent a year.

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new boiler house (which is maintained in absolute pristine condition) has been very much the cornerstone of the company's expansion.

When planning the installation of the new boiler house other fuels were considered, but at the recommendation of their fuel supplier, Graham and Brown, continued with coal. As David Brown, Director, says "That is the business decision we shall all remember as being of great significance. Just on fuel savings alone we have calculated that in the first 3 years of operating the new boilers we saved £80,000."

This boiler house is truly modern and was purposely designed for coal firing. From fuel reception, no fuel is seen or handled and ash is transported away to a silo to await collection. With modern pneumatic handling of coal and ash this boiler house is very efficient and very clean.

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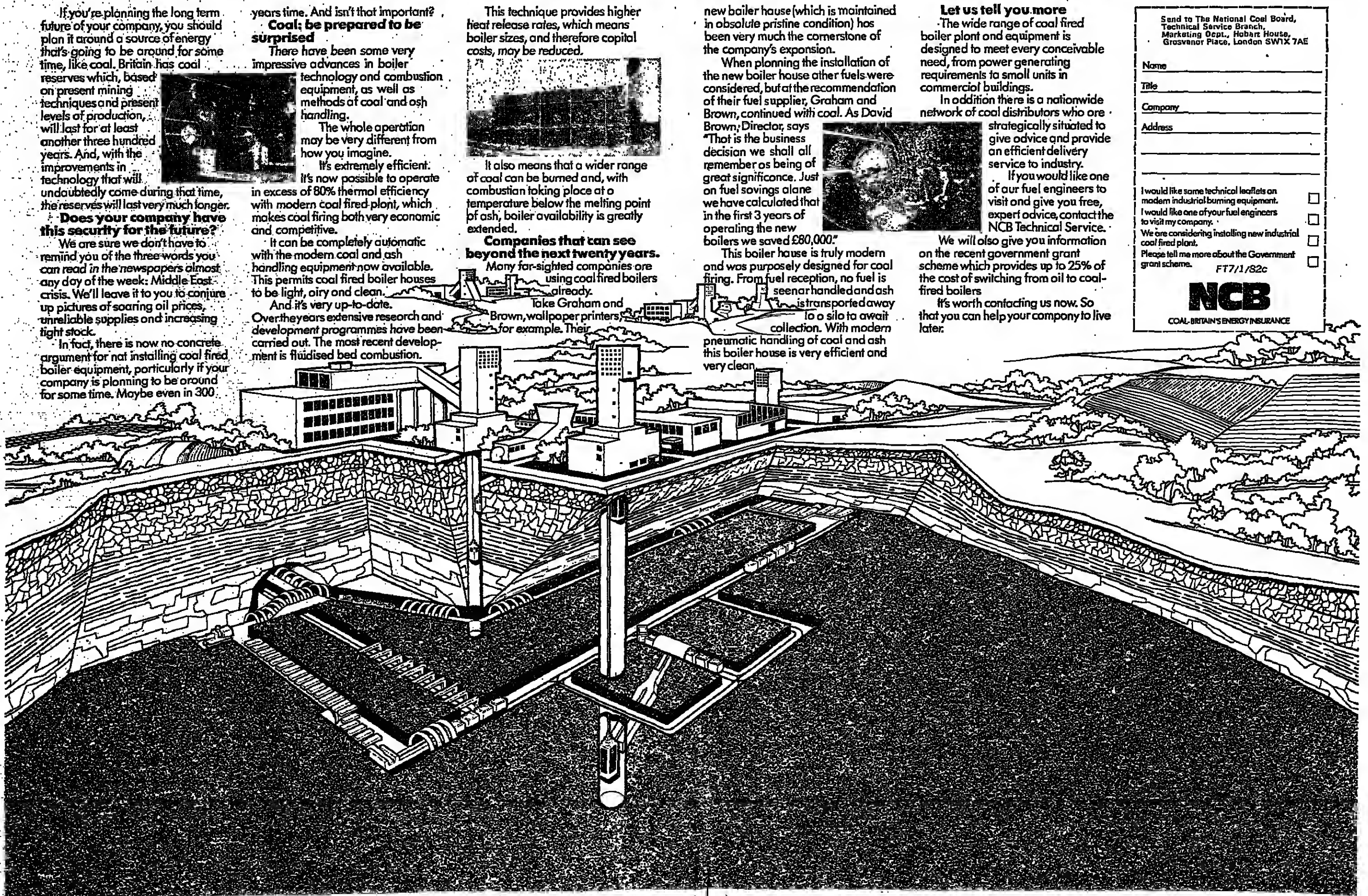
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## OVERSEAS NEWS

## Europe tops U.S. in Krugerrand sales league

By Bernard Simon in Johannesburg

EUROPE REPLACED the U.S. in 1981 as the largest market for Krugerrand gold coins, according to Mr. Don Mackay-Coghill, chief executive of the International Gold Corporation, marketing arm of the South African Chamber of Mines.

Intergold disclosed that Krugerrand sales totalled 3,566m ounces last year, 13.1 per cent higher than in 1980, but well down on the record 6,012m ounces sold in 1978. More than 34m ounces of Krugerrands, which are minted in four denominations, have been sold since the coin was launched in 1970.

Mr. Mackay-Coghill said U.S. customers accounted for less than 40 per cent of total sales last year, after buying more than half of all Krugerrands in 1980. In 1980, U.S. sales to Europe rose to about 50 per cent of the total in 1981.

U.S. demand was dented by high interest rates, lower inflation and the weak gold price, while the Polish crisis stimulated sales in Europe. "Whenever there is concern about the Russian threat, people buy coins," Mr. Mackay-Coghill said.

## British concern at Ghana coup

By Quentin Peel, Africa Editor

THE BRITISH Government yesterday expressed its concern at the developments in Ghana following the military coup, as its leader, Fli Jerry Rawlings, announced that people's tribunals were to be set up to try "those who have committed crimes against the people."

The Foreign Office said that the "composition and intention" of the ruling Provisional National Defence Council remained unclear. "It is our hope that as before, there will be speedy return to a democratically elected government," the statement said.

The latest broadcast by Radio Accra quoted Fli Jerry Rawlings as saying that the people's tribunals would be held in public, but would "not be fettered... by the technical rules which in the past perverted the course of justice and enabled criminals to go free."

## Foreign interest sharpens in China's offshore oil

BY TONY WALKER IN PEKING

## Border crossing change

CHINA has told the British authorities in Hong Kong that it is going to simplify the border crossing procedures between the two territories at Lo Wu, the main Hong Kong-China border point, Kevin Bakerty writes. Though the Chinese have not stated their reasons for the move, it is intended to strengthen China's free trade zone at Shenzhen, immediately beyond the Lo Wu checkpoint.

The plans have caused something of a stir in China, with Chinese rushing to try to get on the right side of

capitalism. They are keen to establish their residence or workplace on the free trade side of the line.

When the boundary is decided, China will probably place a high fence round the free trade area. The cost of the fence could be \$60m.

For foreigners, procedures for getting into China proper would remain much the same, but access to Shenzhen would be simpler, with either multi-entry visas being awarded or perhaps no visas at all being necessary. Customs formalities would be reduced.

such as bankers, oil company executives are, generally speaking, happy with the draft corporate tax regulations because of their expected compatibility with U.S. law. One executive said it was apparent the Chinese had U.S. oil companies with their responsibilities to the internal revenue service in mind.

On the face of it, according to a U.S. lawyer based in Peking, the draft would appear to be compatible with U.S. law, which sets a corporate tax rate of around 46 per cent.

China reportedly considered a special oil tax, but discarded the idea when it was pointed out that such a tax would create difficulties for U.S. companies which have to satisfy strict compatibility requirements under U.S. law.

More than 40 companies are lining up to bid for leases in

China's offshore areas, which have been the subject of extensive seismicological surveys. The Chinese are now assessing data gathered at great expense by foreign oil companies interested in bidding for exploration rights.

It is on the basis of this data and its own surveys that China's Petroleum Ministry is deciding how to divide up promising areas for competitive bidding.

The recent oil symposium in Canton was an indication of quickening interest in China's offshore oil prospects. It attracted more than 400 delegates, many of them oil company representatives.

The symposium, organised by Wah-Chang International Marine of Singapore and the Guangdong Shipbuilding Corporation had the technical aspects of the oil industry such

as rig construction and servicing as its main focus. It also discussed financing, geological prospects in the Pearl River basin, and legal and insurance issues.

Speakers at the conference, notably Mr. Michael Sandberg, chairman of the Hong Kong and Shanghai Banking Corporation, took a generally optimistic view of China's oil prospects and the contribution the Chinese could make to relieving energy shortages in the Asian region.

Mr. Sandberg told the conference that Asia was now the home of some of the world's fastest growing economies, where demand for energy was growing at a "voracious rate."

China, therefore, has a major role to play over the next two decades by not only increasing production to meet its domestic demands, but also by expanding exports to alleviate a potentially chronic energy shortage," he said.

China's present oil output amounts to about 3m barrels a day, or 100m tons a year, but the Chinese are having difficulty maintaining production at such levels. This is because of faltering output from the Daqing Field, easily China's largest which accounts for about 50 per cent of the country's production.

Mr. Zhao Ziyang, China's Prime Minister, admitted at the National People's Congress last month that there was a tremendous waste of oil in China and much greater efforts at conservation would be needed.

"At present, 40m tons of petroleum are burnt as fuel each year, a large proportion of which should not have been so used," he said. "The waste is



Participants in the seismic surveys in China's offshore waters have been told that they will be contacted before the end of this month with further proposals on offshore development, writes Colina MacDougall. Peking is expected to ask for a declaration of interest within the next two weeks, and interested companies will be asked within the month for tenders. A model contract has been prepared.

Industry leaders said bidding cannot start until foreign companies know details such as the share-out of crude and the role of the Chinese Government in planning and decision making. Terms are likely to be strict, since the Chinese have been advised by Statoil, the tough Norwegian Government offshore oil organisation.

enormous. The State Council (China's cabinet) has decided to take the necessary measures in the next 10 years to replace oil consumption by coal consumption, saving petroleum for processing at home or for export, and to use the revenues thus derived for building up energy industry and transport." On the question of outside

involvement in the development of China's oil industry, Mr. Zhao said: "In accordance with the principle of mutual benefit, the Government has decided to invite tenders from foreign firms in the near future and, with their co-operation, to step up exploration and open and build new oilfields as soon as possible."

## Romanian envoy visits Begin

By David Lennon in Tel Aviv

MR. MENAHEM BEGIN, the Israeli Prime Minister, held long talks yesterday with a special envoy from the Romanian President, Mr. Nicolae Ceausescu, amid reports of a possible attempt by Bucharest to mediate in the Middle East dispute.

President Ceausescu played a role in the secret negotiations preceding the late President Anwar Sadat's 1977 peace initiative. Begin's office emphatically denied yesterday that the special envoy, Mr. Vasile Pungan, Secretary of the Romanian State Council, had made any mediation offer.

Romania is the only East European Communist country which still retains diplomatic relations with Israel, and is sometimes regarded as acting on behalf of the Soviet Union.

But the Prime Minister's spokesman said that there had been no mention of a Soviet role in a new Middle East peace conference or a renewal of ties with Moscow at yesterday's talks.

Mr. Pungan delivered a verbal message from President Ceausescu about international and regional issues and bilateral ties. No details were released. Mr. Begin gave the envoy "some documents connected with the situation in the region" to take back to the Romanian President, the spokesman said.

Israel's civil servants held a one-day strike in a demand for higher pay yesterday which paralysed government services. Government offices were closed, hospitals operated on emergency schedules, radio and TV broadcasts stopped, apart from news reports, and trains were halted.

The civil servants are demanding a 420 shekel (£13.88) monthly increase for employees earning less than 5,000 shekels

## Korea and Japan to hold aid talks

JAPAN and Korea are expected to hold working level talks on aid "in the near future," the Japanese Foreign Ministry said last night. Charles Smith writes from Tokyo. Japan regards the talks as primarily an opportunity to discuss the aid to be given in the current (1981) fiscal year, but Korea apparently hopes to press its demand for a \$6bn (£3.1bn) five-year aid commitment.

## Khartoum demonstration march ends in violence

BY RICK WELLS IN KHARTOUM

POLICE fired shots in the air and tear gas at 5,000 students marching in Khartoum yesterday in protest against the regime of President Jaafar Nimeiri. One student was reported to have been wounded.

The students hurled bricks and stones at the Government party's headquarters and at the American cultural centre before reaching the Cairo branch of the university on the other side of Khartoum, in contrast with Tuesday's march

by students of the Cairo branch, onlookers supported the students with chants calling for a new revolution. Shops were closed and armed soldiers manned petrol stations. The disturbances are seen as a reaction to the stringent economic measures brought in by President Nimeiri under the conditions imposed by the International Monetary Fund.

The demonstrations follow the arrest on Monday of 21 prominent southern Sudanese



President Nimeiri. Our Cairo Correspondent adds: The Egyptian Foreign Minister, Mr. Kamal Hasan Ali, has made a surprise trip to the Sudan, it was announced.

## Libya cuts development budget

By Patrick Cockburn

LIBYA'S development budget will fall marginally in 1982 to LD 2.4bn (\$88m) from LD 2.7bn last year, the Planning Secretariat has said in Tripoli. The new figure was agreed after detailed studies on oil revenues.

The sectors receiving the largest sums are agriculture (LD 347m) and heavy industry (LD 493m). Libya's oil revenues are now increasing as crude exports increase from a low of 600,000 barrels a day (1/4) last October.

## Sri Lankan business leader enters politics

BY KEVIN RAFFERTY IN SINGAPORE

MR. UPALI WIJEWARDENE, head of one of the biggest private sector business groups in Sri Lanka, has resigned from a key administrative post in order to enter politics. He has declared his ambitions to be Finance Minister and attacked the Prime Minister, Mr. Ranasinghe Premadasa.

Until this week Mr. Wijewardene was Director-General of the Greater Colombo Economic Commission, responsible for attracting foreign investment to Sri Lanka's free trade zones and

for trying to promote free enterprise in the country. His Upali Group has wide interests in cocoa, rubber and palm oil as well as in industry.

Last year Mr. Wijewardene launched an English language newspaper and allowed it to be used to mount attacks on the Prime Minister, Finance Minister and other Ministers.

For all his criticism however, Mr. Wijewardene supports President Junius Jaywardene and his programme.

## WORLD TRADE NEWS

## SIA makes plea on air fares

By Kevin Rafferty in Singapore

SINGAPORE AIRLINES chairman, Mr. J. Y. M. Pillay, yesterday appealed for airlines to be able to set their own fares in accordance with market conditions.

He accused the regulatory authorities which set fares of "spitting in the wind and flying in the face of commercial logic."

Mr. Pillay said that in other businesses "prices are set by the merchant. Why are airlines not allowed to set prices according to market conditions?"

Under Mr. Pillay's direction, Singapore Airlines (SIA) has grown from the small national airline of an island country of 2.4m people to one of the top 15 international carriers. It has so far refused to join the International Air Transport Association, because, Mr. Pillay said, originally "it tried to regulate the size of sandwiches and other standards of service."

The airline has faced criticism from many rivals who have accused it of undercutting prices.

Mr. Pillay said that SIA had been singled out for discrimination. "We would like to see a clear market with transparency of fares."

Mr. Pillay's remarks came hours before the West German air authorities in Bonn met Lufthansa and other airlines flying to Asia to try to end the row over fares discounting between West Germany and Asia. In a row at the end of last year the West German authorities unprecedentedly limited SIA's winter schedules.

Mr. Pillay accused the West Germans of using SIA as "a whipping boy." Eventually the argument was settled by SIA promising to clean up the fares market, if all other airlines also abided by the published tariffs.

"We will keep our side of the bargain. The authorities in Germany have now got to get everyone to stay clean."

He added that West Germany had been "putting the squeeze on us for no reason than that we were providing stiff competition for Lufthansa."

SIA also faces claims in the U.S. that it has been indulging in irregular price-cutting. Mr. Pillay said: "In America, our prices are certainly not the lowest in the market. We are not interested in selling fares below our costs because that is suicidal."

## Boeing ready to roll out narrow-bodied 757

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BOEING, the world's biggest jet airliner builder, is to roll out its latest aircraft, the narrow-bodied, twin-engine 757, next Wednesday at its factory near Seattle.

It will be the second jet rolled out by Boeing in five months. The other was the semi-wide-bodied 767, which emerged last August and is well into its flight test programme.

The 757 is significant for Rolls-Royce, whose RB-211 Dash 535 engine powers the aircraft, and for British Airways, which has ordered 19 aircraft with another 18 on option, in an order worth over \$400m including spares.

Total orders for the 757 to date amount to 136 aircraft, from seven airlines, with another 61 aircraft on option, worth in all about \$7bn at an average price of about \$34m per aircraft.

The first flight of the 757 will be made next month, and after a nine-month test flight programme, the first aircraft will be delivered to Eastern Airlines of the U.S. in December. Eastern has ordered 27, with another 24 on option.

The first deliveries will be made to British Airways in early 1983, and the aircraft will be put on its short-haul routes to the Continent, and on the UK domestic shuttle routes.

The twin-engine Boeing 757 is a most significant aircraft for the airline industry. Seating about 180 passengers, and capable of flying distances averaging about



The final touches are put to a 757 jet in Seattle.

1,500 miles—it is described as a short- to medium-haul aircraft—it is intended as a replacement for many ageing aircraft types, ranging from One-Eleven, Trident, DC-8s, and Boeing 727s.

The 757 could make inroads into the potential market for the projected smaller 150-seater type airliners.

Operators interested in 150-seaters could fly 757s with fewer seats, especially since Boeing claims the fuel economy of the aircraft is up to 35 per cent better than any of the aircraft it is likely

to replace. In addition to British Airways and Eastern Airlines, two other airlines have ordered the 757 with Rolls-Royce engines—Monarch of the UK, which has ordered three with another on option, and Air Florida, three with one on option.

But Rolls-Royce has considerable competition on engines. Pratt and Whitney, with its PW-2037, has won major orders from American Airlines (15 firm and 15 options), and Delta (60 firm with an undisclosed number

of options). Among potential customers for the aircraft are Pan American, Northwest and other operators.

Boeing is setting its sights on a break-even sales target of at least 300 aircraft over the next five years, but it believes the ultimate market could amount to over 1,000 aircraft through the 1990s. Once the recession ends, it believes there will be a flood of orders.

Boeing needs this kind of market to cover its development costs, estimated at over \$1.5bn for the 757.

## Jet leasing 'low priority' in Tokyo scheme

BY RICHARD C. HANSON IN TOKYO

AIRCRAFT LEASING to third parties will be a "very low priority" in the \$500m (£263m) import finance scheme being formulated by the Japanese Government, according to the Ministry of International Trade and Industry (MITI).

The programme is due to begin on January 15 as part of a package of measures approved by the Cabinet in December aimed primarily at reducing Japan's trade surplus with the U.S. and Europe.

Final deals still have to be worked out, but MITI says the priority in the programme, which involves dollar lending from the official reserves by the Japanese Export and Import

Bank, will be financing imports of certain commodities and manufactured goods for use in Japan.

Buying of rare metals, non-ferrous metals, electronic medical equipment and perhaps leasing items such as helicopters and light aircraft for Japanese companies are included in the tentative list of goods which will qualify for official financing aid.

The programme could be extended also, to include dollar financing by the Export-Import Bank of Japan for aircraft purchases by a domestic airline.

All Nippon Airways, for example, may be able to take advantage of Japanese Exim

Bank dollar financing if and when it decides to acquire new Boeing 767s, for which U.S. Eximbank export credits might not be available.

A MITI official suggests that the modest \$500m sum proposed for the programme may be left over.

In any case, a number of discouraging hurdles will have to be overcome before a programme resembling the 1978 emergency aircraft leasing scheme can be made to work.

The first problem is an argument between the Finance Ministry and MITI over whether leasing aircraft to others should qualify as an import to Japan. The Finance Ministry charged

its mind in 1978, and ruled that financing the leasing of aircraft (under the non-binding recommendations of the IMF) should not be counted as a merchandise trade item as an import to Japan and subsequent re-export to the user, but rather as a capital movement.

MITI argues for a loophole in the rules which would allow the leasing company in Japan to claim temporary ownership—say for a week—to qualify in the trade statistics as an import.

The most important point is that any such aircraft leasing represents a "new" acquisition, one which would not be made but for the availability of special Japanese financing.

## 'Frustration' in U.S. over Japan

By Charles Smith in Tokyo

JAPAN'S trade problems with the West will not be solved until Western businessmen believe that they enjoy the same access to Japanese markets as Japanese exporters do in their own countries, Mr. Mike Mansfield, U.S. Ambassador to Japan, said yesterday.

He said that he thought there was a "fundamental frustration" in the U.S. over the difficulties of penetrating the Japanese market. The existence of such feelings posed a "grave risk" to Japan and meant that action to open the market was becoming urgent. Failing such action, the ambassador suggested that the U.S. Congress might take punitive measures.

These could include the imposition of a special tax on Japanese imports or the introduction of minimum U.S. content rules for all imported foreign cars.

## Iran proposes Bandar Khomeini talks

By Our Far East Editor in Tokyo

IRAN HAS failed to produce a clear response to Japanese demands that it should shoulder all future costs involved in the completion of the Bandar Khomeini project in southern Iran, the Mitsui group said yesterday.

Instead it has proposed consultations on a formula for re-starting work on the project within the terms of the existing contract, under which costs are supposed to be shared equally by the Japanese and Iranian partners.

The proposal was contained in a letter to the president of Iran Chemical Development Corporation from Mr. Mostafa Taheri, chairman of the Iran National Petrochemical Company.

ICDC and NPC are the two main shareholders in the Iran-Japan Petrochemical Company (IJPC) which is in charge of the project.

Mitsui—the biggest ICDC shareholder—said that the Iranian letter was unsatisfactory. If Iran failed to give a "clear reply" to Japan on revision of the contract, anything might happen, the company said.

## UK hopes India will be first overseas buyer for System X

BY GUY DE JONQUIERES

MR. KENNETH BAKER, British Minister for Information Technology at the Industry Department, will seek next week to persuade the Indian Government to become the first overseas customer for System X, Britain's advanced electronic telephone exchange.

System X is being entered in the bidding for the first phase of a project to modernise and expand India's ageing public telecommunications network. The project is expected to require a total investment of more than £100m over several years.

The Indian Government has called for tenders by March. Keen competition is expected from several large telecommunications manufacturers, including L. M. Ericsson of Sweden, Japan's Nippon Electric Corporation, the Belgian subsidiary of International Telephone and Telegraph of the U.S. and at least one French company.

Mr. Baker will visit India with Sir George Jefferson, chairman of British Telecom. Sir George is expected to bolster the sales effort by offering Indian officials extensive technical co-operation and support if they decide to buy System X.

India is seeking initially the supply of 200,000 local exchange lines. It wants the most modern type of digital exchanges, which use computers to switch and control voice and data communications.

The Indians have also asked bidders to make proposals for the construction of a large local plant which could manufacture 500,000 exchange lines a year and for assistance in exporting part of its production to third countries.

The financing of the project is likely to play an important role in the eventual contract decision. India hopes to borrow a sizeable proportion of the cost from the World Bank, but it is also expected to bargain hard on terms with bidders before it chooses a supplier in 1983.

The British Government has yet to decide how much backing it will give System X. The Industry Department recently commissioned an independent review of System X's export prospects which is expected to serve as a basis for decisions on financing.

British Telecom has invested more than £100m so far in the development of System X. Export marketing is being handled by British Telecommunications Systems, a consortium formed by British Telecom, the General Electric Company (GEC), Plessey and Standard Telephones and Cables.

The Indian project will be System X's first attempt at a major overseas order. GEC, which has extensive business links with the sub-continent, has been appointed prime contractor.

## Berlin Consult wins contract worth £21m

BY LESLIE COLVIT IN BERLIN

BERLIN CONSULT, the West Berlin engineering consultant, has won a DM 40m (£21m) contract from East Germany to build a turn-key plant for the production of baking yeast.

The contract was signed with Industriemontage-Import. The factory, which is to have an annual capacity of 16,000 tons is to be built in Leipzig and is to be completed by next year.

Berlin Consult's partner in the project is Standard Brands International in New York, which is to provide the operating know-how.

The equipment for the baking yeast plant is to be provided by several medium-sized German companies. Since 1969, Berlin Consult has built plants in East Germany worth more than DM 500m and is also heavily engaged in the Soviet and East German markets.



## Howe under fire from two sides at NEDC talks

By HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor, came under attack from the TUC at the meeting yesterday of the National Economic Development Council when he refused to meet the TUC's request that two of its relations demands be included in official forecasts.

CBI members of the NEDC concentrated their pleas to the Chancellor on the need for Government to do something about cutting costs borne by the private sector.

Mr Len Murray, TUC general secretary, called the official forecasts of 1 per cent growth in 1982 "utterly unacceptable" while Sir Terence Beckett, CBI director general, described a growth rate as "stagnation". TUC members claimed that the Government could do more to stimulate growth without putting at risk the control of inflation. Mr Murray asked for two variables—an increase in public capital expenditure of £2bn and a reduction in VAT from 15 per cent to 12 per cent. He wanted them included in the forecasts to see the effect this would have on inflation, output and employment.

Mr Murray said that exercise could be done in "half an hour" and the Chancellor could come back to the next Council meeting with the results in members could discuss options.

But the Chancellor told TUC members: "You cannot say a

forecast is unacceptable, otherwise you are like Camille resisting the tides." The discussion that followed did not produce a clear-cut answer.

Mr Geoffrey Chandler, NEDC director general, described the outcome as the Chancellor "agreeing to come back to Council in principle, but not precisely on the terms requested by the TUC."

The Chancellor's paper recorded some of the progress that has been made in the economy in the view of the Government, particularly as regards adjusting to a lower rate of inflation and becoming more efficient. But he did admit that the "pace is still frustratingly slow."

The CBI said that the private sector had made a major contribution to reducing costs. While supporting the Government on inflation, CBI members said it could do something to help industry by reducing the National Insurance surcharge and interest rates.

Sir Raymond Pennock, CBI president, and chairman of BICC, said that the surcharge cost BICC £9m annually. While agreeing with the Chancellor, that productivity had improved, the CBI pointed out that this might be the consequence of bad plants going out of business. It did not necessarily imply longer-term gains in productivity.

## Disciplinary committee sees report on Halliday Simpson

By John Moore

THE RULING council of the Stock Exchange has passed across a report prepared by a special internal investigation team into the affairs of Halliday Simpson, a Manchester stockbroker firm suspended last July to its disciplinary committee.

The report, which has concluded that disciplinary action is necessary, is being studied by the disciplinary committee which is taking legal advice. Lawyers for Halliday Simpson said yesterday morning that its clients had yet to hear from the Stock Exchange about the report, which is remaining confidential.

The Halliday Simpson investigation evolved from Cheltenham Unit Trust group's request for the Stock Exchange to look of dealings which had come to light during an investigation into "put through" deals.

Mr Peter Potts, chairman of Cheltenham, confirmed yesterday that legal action was being planned against a former employee, a fund manager who was sacked after an internal inquiry. "Papers are being drawn up," he said yesterday, but he was not sure when the action, which has been contemplated for some time, would begin.

## More aid sought for road repair

FREEZING temperatures and floods are damaging Britain's roads to such an extent that local authorities are to call on the Government for extra money for road maintenance, the Association of County Councils said yesterday.

Suffolk County Council has already written to the Transport Department seeking assurances that the council will not be penalised if it overpays on winter road maintenance. Several other counties used their total budget for gritting and snow clearance in December.

The association expects to make the call for more Government aid when both sides meet at the consultative council for local government finance in a few weeks.

Maintenance of motorways and trunk roads is paid for by councils with direct grants from the Government. Other roads, however, are paid for by councils out of rates, aided by the Government's rate support grant.

The arguments for more cash for motorway and trunk road repairs would be considered "very strongly" by the Transport Department said last night.

## Record £16.5m of heroin seized

A RECORD amount of heroin was seized last year in the UK—£6.5 kilos worth nearly £16.5m.

Experts in the Customs Investigation Division estimate about 80 per cent was intended for use by addicts in Britain.

Because of the increase in heroin seizures in 1981—up 127.7 per cent from the previous year—the staff of investigators had been increased.

The Indian sub continent emerged as a major source of heroin destined for Britain. More than 50 per cent of the drug seized last year came from there.

The highest seizure of heroin last year was at Dover where 6.88 kilos was found hidden in a vehicle from the Middle East.

## Beer production

BEER production 0.4 per cent in November to 3.3m bulk barrels compared with the same month last year was the second lowest figure for November since 1973.

Beer production in the 11 months to the end of November was down 3.1 per cent on the previous year at 34.8m bulk barrels.

## Company buying

PROSPECTIVE purchasers of companies have regained their confidence since the effects of high interest rates in the middle of last year, according to a survey by Diverro, a leading company broker of medium-cost companies.

Diverro looked 170 newspaper adverts seeking companies to buy in the final quarter of last year, just short of the peak of 180 in the first quarter of last year.

## Citroen price rise

CITROEN, THE Peugeot subsidiary, is putting up UK prices by an average 5.8 per cent. Increases include £95 on the 2CV6 Special to £2,285; £280 on the Visa Club, taking it to £3,435; £248 on a GSA Pallas, up to £4,998 and £395 on the diesel Safari, up to £5,811.

## Steel price increases hit first-stage users

Alan Pike looks at a problem of manufacturers unprotected by cost and production controls

STEEL-RELATED SECTORS which do not share the main industry's price and production controls are becoming increasingly worried about rises in European steel costs.

Steel producers are raising prices by an average 12½ per cent this month and will increase them again later in the year. There have been protests from many sections of manufacturing industry, but the "first stage of transformation" industries which depend upon steel as their staple raw material face a more specific problem.

This is illustrated by the British wire industry, which is struggling for viability in a shrinking market.

Wire and other transformation products such as forgings and castings, seamless and welded tubes, and bright bars are not defined as steel products under the 1951 Treaty of Paris which established the European Coal and Steel Community.

Hot-rolled wire rod, the wire industry's fundamental raw material, represents about 40 per cent of wire's selling price. Wire rod comes under the Treaty of Paris as a steel product, so it is subject to both the production control system being applied by the European Commission and the price increases being imposed by Eurofer, the EEC steelmakers' club.

These measures have combined to produce price increases of between £30 and £50 a tonne in recent months. Prices went up 10 per cent in October and will rise about 15 per cent this month.

British wire rod prices, which are similar to those on the Continent, now average £208.50 for low carbon products and

£227.30 for high carbon. The British industry raised its prices to broadly match the October wire rod increase, but there are doubts about its ability to continue doing so without a protective structure similar to that of the steel producers.

The steel price increases have been accompanied by considerable increases in the industry's other important material, zinc, which is used for galvanising.

British wire producers include Allied Steel and Wire—the jointly-owned company formed last year between the British Steel Corporation and GKN-Bridon Wire, Chiswell Wire, Tinsley Wire and the Standard Wire Company.

The side effects of the EEC's

attempts to raise steel prices are adding to the industry's burdens during a period of severe contraction.

The British steel wire market has halved since 1973 from 1m to 500,000 tonnes a year. In this period imports of wire rose from 12,000 to 55,000 tonnes while exports declined 35 per cent. Employment in the industry is down to between 10,000 and 12,000.

Other wire manufacturers have experienced similar problems. One of wire's disadvantages in not being a Treaty of Paris steel product is that it has more limited import protection.

There are indications that the increasing effectiveness of EEC efforts to rationalise steel

production and prices may lead to demands for wire to be brought within the Treaty.

This would have some industrial logic. In some plants steel and wire are produced in the same works and a company restructuring its steel activities could, for example, offer more generous redundancy terms to steel employees than those making wire.

There has not yet been sufficient EEC-level discussion to indicate whether the majority of wire producers would wish to accept the obligations, as well as the protection, of the Treaty of Paris.

British wire manufacturers are excluded from another source of assistance to steel producers. The Government has decided they will not qualify for the £22m aid scheme for restructuring redundancies in the private steel sector announced by Mr Patrick Jenkin, Industry Secretary, last month.

## Liberals likely to let Jenkins contest Glasgow seat

BY PETER RIDDELL, POLITICAL EDITOR

MR ROY JENKINS is likely to be given a clear run by the Liberals to fight the Glasgow Hillhead by-election if he decides to put his name forward. The outcome is still uncertain, although he is already assured of the support of local SDP members.

Mr Jenkins will not say anything publicly until after the funeral today of Sir Thomas Galbraith, the former Tory member for Hillhead who died last weekend. Mr Jenkins has not finally made up his mind, although he is likely to have been encouraged by the results of a National Opinion Poll in yesterday's Daily Mail.

This showed he would receive 33 per cent of the vote for the Alliance, against 31 per cent for Labour, 23 per cent

for the Conservatives and 13 per cent for the Scottish Nationalists. Mr Chick Brodie, the Liberal candidate, would attract 31 per cent for the Alliance against 32 per cent for Labour.

This is a favourable starting point for Mr Jenkins even before he has declared his intentions and any campaign has started to squeeze Labour and Tory votes. Mr Jenkins would also have the advantage that the Labour candidate is an Englishman.

Mr Jenkins will make his position known by the end of the week. The SDP and Liberals are due to meet in Scotland tomorrow. If he decides against standing, the Liberals are likely to press for Mr Bodie rather than any SDP candidate.

Mr Jenkins had dinner last night with Mr David Steel, the Liberal leader.

The SDP and Liberal's national negotiating teams will meet over lunch tomorrow in an attempt to sort out their recent differences over the allocation of parliamentary seats. The result is likely to be a resumption of negotiations about seats, but with the introduction of machinery to iron out any future differences.

There is also likely to be an understanding that a fence should be drawn round the dispute at Greenock where the local Liberals are challenging Dr Dickson Mahon, the sitting SDP member.

The Liberals will press for talks to continue elsewhere. But the SDP is expected to maintain

that the local Liberals are acting in defiance of national guidelines.

Attitudes on both sides are likely to be heavily guarded with a recognition that a lasting understanding will depend on what happens locally.

Mr Steel said at a press conference in Stuttgart, where the German Free Democrats are meeting, that the dispute should not mislead people since it was "difficult to get agreement on dividing 620 constituencies without having a few arguments." He was introduced by Herr Genscher, the Free Democrat leader and German Foreign Minister, as "the man aiming to take the Liberals to the top."

The dispute between the SDP and the Liberals has been eagerly seized on by Conserva-

tive and Labour leaders.

After the speech on Tuesday by Lord Britton, Chief Secretary to the Treasury, Mr Roy Hattersley of the Labour Party yesterday attacked the SDP members possessed "no ideological base at all."

They had "no vision of a new society to guide them" and they were "forced to make up policies as they go along or in the areas where silence is the prudent, though critical, course for a new party on the make."

"And that description—the party that plucks policies out of the air if they seem attractive to its almost exclusively middle-class membership—is the best that can be said for the SDP."

## Coal-fired water tube boilers may speed switch from oil

BY MAURICE SAMUELSON

A BREAKTHROUGH in methods of making large water tube boilers which run on coal may help to speed industry's switch back to coal from dearer oil and gas.

Recent changes in design and technology have greatly reduced the price at which companies can install the larger water tube boilers, which serve as the main power units in a wide range of process industries.

Coal-fired water tube boilers are needed by plants which

raise more than 30,000 pounds of steam an hour. Until now these boilers have been four or five times as dear as the more compact shell boilers which burn oil or gas to produce equivalent pressures, says Malcolm Edwards, the NCB director general for marketing.

One reason for the higher cost is that water tube boilers for coal used to be built at the place where they were used. A number of manufacturers are now offering water tube boilers which are package built,

removing a traditional weak link in the coal industry's bid to increase its industrial market. The new designs are said to "solve the price problem."

Half the boiler usage in the UK, Mr Edwards says is provided by units rated at about 40,000 pounds of steam an hour. Among the suppliers of these new water tube boilers are Gibson, Wells of Leeds, Green of Wakefield, and Danks of Netherburn.

According to Mr Edwards

this is the most important change in the boiler-making industry for more than 20 years, when cheap oil ushered in the now familiar oil-fired package boiler.

It coincides with new flexible methods of burning fuel, notably fluidised bed combustion, in which coal or other materials are burned in a turbulent bed of red-hot sand or ash.

These technologies, with a range of new compressed air systems for handling coal, have

been assisted and promoted by the Coal Board in its long-range bid to recover its lost industrial market.

Mr Edwards says the board has been pushing for cheaper water tube boilers for five years and that new designs have been developed in the last 18 months. Coal-burning water tube boilers of a similar size to those fired by oil or gas and producing similar pressure can now be installed "at a sensible capital cost."

## Gill payout brings tax change call

By John Moore

MR MICHAEL MEACHER, a Labour MP, has called on the Chancellor to impose heavier tax charges on golden handshakes to former executives.

The move came as institutional shareholders of Associated Communications Corporation decided to take legal action to block the planned record £560,000 cash payment to Mr Jack Gill, Associated's former managing director.

Mr Meacher told Sir Geoffrey Howe in a letter this week that executives "like Mr Gill can end up paying an overall average rate of tax on their golden handshakes of as little as less than 20 per cent on sums in excess of £500,000."

He urged a "genuinely fair and equitable tax system to cover golden handshakes."

He said the Finance Bill should be changed this year "by making the whole of the handshake assessable at the marginal rate applying to the latest annual salary."

## Lloyd's will meet critics of legal immunity clause

BY JOHN MOORE

LLOYD'S of London is facing growing opposition to a controversial "immunity" clause in its legislation to protect a ruling coup from damage suits. The clause would prevent all Lloyd's members seeking recovery against Lloyd's in such suits.

Lloyd's officials will meet four Conservative MPs who expressed concern over the immunity clause during the earlier passage of the Lloyd's Bill of Parliament for improving the market's self regulation.

The MPs are Mr Nicholas Lyell (C, Hemel Hempstead); Viscount Cranborne (C, Dorset South); Mr Richard Needham (C, Chippingham) and the Hon. Archibald Hamilton (C, Epsom and Ewell).

Working members of the market are also opposed to the immunity. One underwriting agent has described the new clause as likely to encourage "lesser rather than

greater" men to serve on a new council if they are aware that they are protected by legal immunity.

Many members of Lloyd's feel they should be allowed to take action in the courts against Lloyd's if a new ruling council takes action against their interests. So far, Lloyd's has substantially tightened up the wording of the controversial clause.

But unless Lloyd's is able to persuade its critics to accept the clause, the Bill could meet extensive opposition at the third reading stage in the House of Commons, or face further Parliamentary petitions at later committee readings which might force changes.

## Truck of Year

A PANEL of truck experts from 12 European countries has named the Ford Cargo as 1982 Truck of the Year.

## Second leg of gas link complete

By Martin Dickson, Energy Correspondent

A major onshore pipeline project, which will bring additional supplies of North Sea gas into the UK network, has passed an important landmark with the completion of a 90-mile section in Northumberland and Durham.

British Gas said yesterday that the section between Wooler, Northumberland, and Bishop Auckland, Durham, had been completed on schedule and was ready for operation.

This is the second of three stages into which the 233-mile project has been divided. The first stage, a 146-mile section down the east coast of Scotland from Aberdeen, was completed in 1980. The third stage, linking Aberdeen to St Fergus on the Scottish east coast, will be built this year.

Contracts for the second leg were split between Norwest Sores and McAlpine Services and Pipelines.

## Energy use falls 1% as supply rises

By Ray Daffer, Energy Editor

ENERGY USE in the UK fell by 1 per cent in the three months September-November compared with the same quarter of 1980, according to Government statistics published yesterday.

The figures indicate that the pattern of energy use in settling after two years of substantial decline. In the January-November period last year the equivalent of 279.9m tonnes of coal was used—4.7 per cent less than in the corresponding period in 1980. And in 1980, 7.8 per cent less energy was used compared with 1979.

Provisional energy statistics, released by the Energy Department, show that in the September-November quarter last year the equivalent of 78.1m tonnes of coal was used, compared with 78.9m tonnes of coal equivalent in the same quarter of 1980.

In contrast, UK production of energy continued to rise and outstrip demand. In the same September-November period last year domestic production of coal, oil, natural gas, hydro-electricity and nuclear power reached the equivalent of 88.6m tonnes of coal—4.6 per cent more than in the same quarter of 1980.

Total oil production in the September-November quarter was 22.9m tonnes or some 2.9m tonnes or 1.6 per cent more than in the corresponding period last year. It took the cumulative 1981 production up to the end of November to 81.4m tonnes—11.5 per cent more than in the first 11 months of 1980.

But the oil products market continues to be depressed. The consumption of refined products like petrol, heating oil and fuel oil was 3.6 per cent lower in the September-November period than in the same quarter of 1980.

## Victoria coach link with airport

A NON-STOP luxury coach service between Victoria coach station, London, and Heathrow airport will start on January 18. The service will run at half-hour intervals every day and the single fare will be £1.50.

## Sudden postponement of De Lorean share issue

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

DE LOREAN Motors, the sports car venture backed by nearly \$80m of UK Government money, yesterday postponed at the last moment a share issue to raise \$12m in the U.S.

According to "Lead Underwriter," Bache Halsey Stuart Shields, the postponement was caused by "market conditions."

The Dow Jones Industrial Average fell 17.2 on Tuesday because of worries over interest rates following an unexpected sharp rise in the weekly U.S. money supply figures. Mid-way through trading yesterday the index was down a further 6.8 points.

The underwriters had hoped for a price of \$12 from each of the 1m units to be offered on the New York stock exchange by De Lorean.

They had already cut by half the cash they hoped to raise for the company because of market conditions.

Previously, De Lorean expected to raise \$28m. The bulk of the new money is to be used for a new saloon version of the Belfast-built De Lorean car.

The decision to go for less money will leave a bigger gap than ever—\$80m—between the cash raised by the share issue and the expected cost of

the new saloon.

De Lorean also wants the extra money to help pay off a \$3.1m instalment on notes it has issued to members of a limited research and development partnership put together for it by Oppenheimer and Company as a tax shelter.

A further \$2.4m will be required to cover Oppenheimer's fees.

The preliminary prospectus, issued in November, showed that the intended offer would be of stock in a new umbrella company, De Lorean Motor Holding. The 1m units will consist of one share plus a five-year warrant convertible into one more share.

Mr John De Lorean, the founder, will end up with more than 49 per cent of the holding company, The Northern Ireland Development Agency, the vehicle through which most of the UK State cash was channelled into De Lorean, will have about one third via a swap of its existing holding in the Belfast manufacturing company.

De Lorean said that the decision to reduce the scale of the share issue and the postponement had nothing to do with the recent controversy surrounding the company.

## Motoring Which proposes higher MOT test fee

FINANCIAL TIMES REPORTER

THE COST of an MOT test should rise substantially to ensure that the test is done thoroughly, the Consumers' Association Journal Motoring. Which suggests today.

It says the present cost of £7.10 buys barely half an hour of typical garage labour rates. "We estimate that to do a test and go through all 30 or so points thoroughly takes nearer an hour—so we would think a cost of £10 to £12 a more realistic charge."

That was not an unreasonable price to pay for a thorough safety check, the association says.

It reports that there has been marked improvement in MOT standards since they were last looked at 10 years ago. The vast majority of tests made the correct "pass" or "fail" decision when six cars were tested 10 times each at a wide range of test centres.

But two cars fit only for the scrap heap were each given one pass during the exercise. One of the cars, a 1988 Morris Mini, was deemed "too dangerous to drive on the road" by the association's staff who took it around the country by trailer.

Only six out of 60 tests resulted in a wrong judgment—"certainly not a bad score."

The Department of Transport indicated yesterday that it does not believe a substantial increase in charges would be beneficial. A big rise in MOT charges would only discourage more people from taking the mandatory test on cars three years old, it suggested.

The Automobile Association said it did not believe the 4 to 8 per cent of accidents in which vehicle defects are a sole or contributory cause would be cut by raising the cost of the MOT.

## Texan snuffs flame after rogue oil well blow-out

BY RAY DAFFER, ENERGY EDITOR

TEXAN OILFIELD trouble-shooter, Mr "Boots" Hansen, yesterday snuffed out a 40-foot flame at a rogue oil well in Yorkshire.

The flame, which at times had been 100 feet high, had been burning since December 21 following a "blow-out" at Taylor Woodrow Energy's Hatfield Moor site. Mr Hansen temporarily extinguished the blaze by covering the well with part of the steel well-head equipment.

The gas which had been feeding the blaze was then ignited at the top of a specially installed pipe, some 20 feet above the well head.

Taylor Woodrow, an operator for an on-shore exploration con-

sortium, said the gas would be diverted through flow lines to a position about 800 feet from the well. It would then be burned as engineers monitored the flow rate to determine the size of the underground reservoir.

One man was slightly injured when the drilling crew struck the gas pocket unexpectedly at about 1,500 feet below the ground.

Members of the drilling consortium are: Taylor Woodrow (14.25 per cent), Candecra Resources (41.25 per cent), RTZ Oil and Gas (25 per cent), Haoma North West Oil and Gas (10 per cent), and James Finlay and Company (9.5 per cent).

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## Westland hands over first new generation helicopter

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE FIRST of a new generation of UK non-military helicopters, the Westland W30 (shown here), was handed over to British Airways Helicopters at Gatwick Airport yesterday.

Two of these aircraft are to be used by BAH on North Sea oil support operations, based at BAH's Beccles (East Anglia) base, and eventually it is hoped that this operator will buy a substantial fleet of the aircraft.

Seating up to 16 passengers, the W30 is Westland's first



civil helicopter venture for some time. The company in recent years has specialised in

military helicopters, such as the Lynx multi-role aircraft, and the higher Sea King anti-

submarine warfare helicopter. So far, Westland has won orders for ten W30s, with options on a further 18 aircraft, from operators in the UK and the U.S., and further sales negotiations are in progress worldwide.

The aircraft, developed from the basic Lynx, is intended for use on inter-city passenger operations, as well as in oil support operations, air ambulance and public service (such as police, customs and coastguard) duties.

## British microlight aircraft may be built in Wales

BY ROBIN REEVES, WELSH CORRESPONDENT



## UK NEWS

# North America tipped as Rolls cars top market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NORTH AMERICA will probably become the biggest single market for Rolls-Royce cars this year, Mr George Fenn, chief executive of Rolls-Royce Motors, said yesterday.

"All that stands between us and more sales in North America is more dealers," he said.

The company, a Vickers subsidiary, has 70 dealers there, about the same as in the UK. It wants 10 more in North America and is recruiting.

Rolls sold and produced 3,175 cars last year and 1,197 went to the U.S. and Canada.

Mr Fenn forecast that output this year will rise between 5 and 7 per cent to about 3,400. Nearly all the extra cars would be exported, mainly to North America.

In March last year Mr Fenn predicted that Rolls would produce 3,500 cars in 1981 (up from 3,163 in 1980) so the company missed its target considerably.

Rolls's turnover moved up from £140m in 1980 to £130m last year and profits were "reasonably satisfactory," according to Mr Fenn. Profit performance details will be released with Vickers' figures.

Exports of cars, associated

equipment and parts last year brought exports to a record £77m against £64m in 1980. Mr Fenn suggested exports could rise to £85m this year.

Sales of cars in the UK were unlikely this year to rise above the 1,220 for 1981. Last year was "very satisfactory in the face of a decline in the level of new car sales generally."

It represented a fall of more than 7 per cent in UK sales against an overall market decline of about 2.5 per cent.

Production in 1981 was scarcely above that for 1980, a year in which the company switched to production of the new Silver Spirit, Silver Spur and Bentley Mulsanne models. These models were not introduced on overseas markets until well into 1981 and sales in the U.S. did not begin until April.

Rolls's capital investment, which reached a total of £45m over the past five years, will slow now the new models have been brought out.

The company's attempt to cut costs last year included reducing the workforce by nearly 10 per cent from 6,600 to 6,000. Most of the jobs were indirect labour because Rolls needs its shopfloor employees if output is to keep rising.

## Industrial gas prices 'on par with Continent'

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE AVERAGE price paid for gas by British industrial and commercial users in 1981 compared favourably with France, Belgium and Italy but was significantly higher than the average in West Germany, according to a survey by National Utility Services, an independent energy consultancy.

The survey estimates that the average price in the UK was 29.50p a therm, compared to 27.10p in West Germany, 34p in France, 34.20p in Belgium and 38.80p in Italy.

It points out that UK industrial and commercial gas prices rose only 3 per cent in the 12 months to September 1 after an outcry over industrial energy prices which led to a Government freeze on industrial gas prices.

Prices rose 89 per cent in Italy in the same period, 83 per cent in Belgium, 50 per cent in France. West German average prices rose only 1 per cent. The report says the UK

average price is higher than in other countries surveyed which have their own indigenous supplies — the U.S., where the average is 21.70p a therm, Canada 15.40p and Australia 12.75p.

The UK is the only country surveyed where an extra charge — nearly 2 per cent — is levied on large process users.

But British Gas offers higher discounts than other utilities to large companies with contracts for interruptible supplies — gas which can be cut off at short notice at times of peak national demand. The British Gas discount of 15.5 per cent compares with a maximum of 6 per cent elsewhere.

Norsk Hydro, the Norwegian energy company, is still considering the UK as a possible site for a 500,000-tonne-a-year ammonia plant, according to the latest issue of the company's magazine. Other contenders are Norway and the Netherlands.

## Chemical industry output expected to rise 3.5%

BY MARTIN DICKSON

THE CHEMICAL industry's output is expected to rise 3.5 per cent in volume this year compared with 1981, according to the Chemical Industries Association.

The forecast follows signs of a continued improvement in the underlying trend of UK chemicals activity in the second half of last year.

The association's latest economic bulletin says output between August and October was up about 4 per cent on the previous three months. Output for the first ten months was on a par with the average for 1980.

The recent improvement in output compares favourably with that on the Continent, even

# Chancellor reviews the state of the economy and its prospects

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor, summarised the state of the economy and its prospects in a paper submitted to the meeting of the National Economic Development Council yesterday. The main topic discussed at the meeting was the macro-economy, the first such discussion since economic policy was on the agenda of NEDC's August meeting.

The Chancellor's paper, reviewing the current position, says: "In a number of respects there has been progress this year towards a more soundly-based economy. The rate of inflation and the growth of money national income have both halved in the past 18 months."

"Pay settlements in the 1980-81 pay round averaged about 9 per cent—half the level in the 1979-80 round. There have also been some impressive improvements in productivity, particularly in manufacturing, with considerable evidence of a change in attitudes to management and work practices, and a new readiness to behave flexibly and realistically."

"These developments, combined with the fall in the exchange rate in the summer of 1981, have led to some recovery

of the competitiveness we lost over the previous five years and have eased the financial pressure on business."

But the paper goes on to say that "much remains to be done." The high rate of unemployment, competitiveness that is still considerably worse than

five years ago, and the low average profitability of companies, are mentioned.

"The general picture is one of the economy adjusting to a lower rate of inflation, and becoming more efficient and competitive, but at a pace that is still frustratingly slow."

## Building sector needs more aid, says Government

BY MICHAEL CASSELL

ALTHOUGH THE Government had made strenuous efforts to protect the construction industry from the worst effects of the recession and the cuts in public expenditure, it accepted that more needed to be done, yesterday's NEDC meeting was told in a paper from the Environment Department.

Mr John Stanley, Minister for Housing, said the Government had introduced a wide range of measures in the past two and a half years designed to help overcome the industry's difficulties. But the industry itself had the opportunity to create more work and to improve its competitive position.

He referred to the Government's eight point plan which was put before the building and civil engineering EDCs

last year, and which set out ways in which the construction sector could improve its performance.

The proposals centred on the need to speed up development, to ensure adequate land supplies, to prevent skill shortages and to improve the industry's international competitiveness.

Progress had already been made on most of these fronts but there was a need to consider further action on matters such as planning, where further steps might be necessary to make the planning system more responsive to development. There was also continuing concern over the amount of unused or underused land available.

Mr Stanley pointed out that the commercial property sector had experienced

dynamic growth. In particular the age and condition of many industrial buildings promised enormous scope for development work once the recession ended.

The Chancellor was considering industry proposals for amending the tax system as it affected buildings, for example the extension of higher depreciation allowances given to industrial property to buildings used in the service sector.

The Government was encouraging the injection of private sector capital into construction and looking at the possibility of attracting private money to help develop major Government building projects.

Mr Stanley applauded the efforts of UK construction industries and professions in

Some attention is given to public concern about where growth and jobs are to come from and particularly the fear that overall productivity growth will mean fewer jobs.

But calls for Government-led growth in demand are dismissed by the Chancellor. "The choice

faced in Britain is not between Government-generated expansion and stagnation. It is rather a choice between Government-generated inflation (and rising import penetration) and industry-generated recovery in a climate of improving price stability."

"Greater productivity and better competitiveness are the keys to longer-term growth," says the paper. Although action by companies to cut costs may initially reduce employment and have damaging effects on a particular local economy, "often the choice is between higher productivity with fewer jobs in the short term, and no jobs at all if the higher productivity is not achieved."

Pay and productivity are identified as two of the key sectors where progress in understanding and expectation needs to be exercised. "Greater productivity will not lead to increased output and employment if the 'gain' is simply swallowed by increased earnings," the Chancellor warns.

The Chancellor's paper invited the council to discuss ways in which industrial efficiency and the health of industry could be improved.

Possible changes suggested include: "The need to remove obstacles to the mobility of labour, the need for better training and retraining, the need for better shopfloor communications between management and workforce and greater flexibility in wage settlements so that wage levels more accurately reflect the demand and supply for different groups of workers."

## 'Ulster near precipice' says Powell

ULSTER WAS at the edge of a precipice—the renunciation of the union by its Protestant majority, Mr nob Powell, MP for South Down, told fellow Unionists at Helens Bay, Co. Down.

He said they were the only people who could bring about such a split. "Today these people are waiting with bated breath and heightened hopes... for the Protestant majority of the people of Northern Ireland to do their fell work for them."

"I would be false to you if I pretended that there is no foundation for their hopes."

Mr Powell said it would be difficult to refute any claim that there was now a majority in Ulster against the union—that the basis of the guarantee that Northern Ireland would remain in the UK while the majority wanted it to do so had already been removed—and that Ulster had itself renounced its birthright.

"Without quibbling over decimal percentage points, about half the electors who in 1981 voted for nominally 'unionist' candidates voted for a party of which every attitude and action constitutes a repudiation of the union."

"Through the mouth of its leader that party had declared that no allegiance or obedience was owed to Parliament, which is the bond and essence of the union." It had also announced its intention to make Ulster "ungovernable" by Government Ministers.

"The fact now stares us in the face that the party to which almost half the Protestant voters of Ulster have given their support is against the union. It might not perhaps matter all that much if the voice they chose is the voice of a noisy aboriginal. It matters very much if that voice is a voice which is raised against the union."

## Merseyside launches 'buy local' campaign

BY IAN HAMILTON FAZEY

A MAJOR "buy local" initiative to help small companies break through buying barriers in larger companies and public corporations will take place next month on Merseyside. If successful, it could point the way to similar ventures in other industrial centres.

The project will encourage large buyers of components, goods and services to support small companies by buying locally where possible. Investigations by county council staff and the Merseyside Chamber of Commerce has suggested considerable scope for more local

buying throughout industry. Merseyside County is sponsoring a special exhibition from February 9-11 at which small companies will be able to put their products and services on show to buyers from larger concerns.

Merseyside Chamber of Commerce is surveying big company buying systems to find out how best to encourage local buying.

Mr Tom Brooke, the chamber's business advisory officer, said yesterday he would like to see chief executives adopting quotas and other policies of

positive discrimination to favour local buying provided local manufacturers were reasonably competitive on price, quality and delivery.

Habit and inertia are thought to be major factors influencing large companies to stick to established suppliers.

Mr Harold Stanton, who buys £4m worth of goods and materials for A.P. Hydraulics a year, said his company's Leamington origins had resulted in it buying many components for its Merseyside plant from Midlands suppliers.

Mr Mike Downes, of the Merseyside County Economic Development Office, said: "A lot of companies tell us that it is very difficult to make contact with big company buyers. Often they can't get through the front door, or past the switchboard or beyond a secretary."

About 140 companies are expected to take part in the exhibition which will be held at the disused Barbour Threads factory at Speke, Liverpool. The event is being confined initially to manufacturing and engineering companies.

## Wives of disabled 'hit'

BY LISA WOOD

THE FINANCIAL plight of disabled married women, and married women who give up jobs to care for disabled relatives, is highlighted in a report published yesterday by the Equal Opportunities Commission.

Many women in this substantial section of the population are ineligible for the specific social security benefits closely related to the care of the disabled. Baroness Lockwood, chairman of the EOC, described the workings of the allowances as "obvious discrimination..."

based on the outdated assumption that women will be provided for by their husbands."

Invalid Care Allowance (ICA), for example, is paid to all men and single women who say at home to look after a disabled person in receipt of an attendance allowance. But married and co-habiting women are barred from claiming the allowance.

Baroness Lockwood said the Government had said the cost of extending ICA to married women was too high—an estimated £100m gross.

## Warning of teaching cuts

BY PETER RIDDELL, POLITICAL EDITOR

COMPULSORY redundancies among teachers too young for early retirement terms will be necessary if the school curriculum is to be protected and taught by suitably skilled and effective teachers, Sir Keith Joseph, the Education Secretary, warned yesterday.

Sir Keith was speaking to the North of England education conference in Leeds. He said the authorities would be failing in their duty "to the children and their parents on the one

hand, and to the tax payers and ratepayers and all who work or seek work in the trading base (the economy) on the other, if we keep ineffective teachers in the schools or employ more teachers than we can afford."

Sir Keith's theme was the importance of having good effective teachers with the right mix of qualifications and experience, and the need to improve the school curriculum so the talents and potential of less academic pupils can be developed.

## Grant cut threat to Salford University student intake

BY NICK GARNETT, NORTHERN CORRESPONDENT

SALFORD UNIVERSITY said yesterday that the cuts imposed on it by the University Grants Committee, including a 40 per cent drop in its grant up to 1983-84, will mean a drop in student intake of almost a third up to 1984-85.

In a letter to the committee Prof John Ashworth, Salford's vice-chancellor, warned of a serious threat to industrial-based sandwich courses. He stressed that the speed with

which the university had devised a plan to cope with the cuts should not be seen as acquiescence.

Despite a conscious attempt to protect sandwich courses, the University has been forced to set a limit of 1,200 sandwich course students on four year teaching programmes by 1984-85, a fall of 20 per cent.

Prof Ashworth warns that because several departments

could lose up to 40 per cent of academic staff by the middle of next year, some sandwich courses might have to be abandoned altogether.

Those most at risk are mechanical engineering, engineering metallurgy and manufacturing engineering plus applied physics and biological sciences, chemistry and business studies. This could mean a total fall of sandwich course students of 38 per cent.

Engineering courses overall have been given greater protection than some other subjects, at the expense of social sciences, arts and pure science.

The plan envisages a fall in engineering students from 2,100 to 1,550 between 1979-80 and 1984-85. The number of science students should drop from 1,300 to 900 and social science and arts students from 1,200 to 830.

## Optimism on Boat Show horizon as exhibitors wait for tide to turn

THE THEME Boating is Fun for the London International Boat Show which opens today at Earls Court is strangely at odds with the view of those companies in the boating industry which have survived the recession.

Boating will be hard work for them in 1982 after a 44 per cent drop in business last year. Exports are down 38 per cent from the previous year, partly because of unfavourable currency relationships—and home sales have suffered falls of about 50 per cent.

Boat sales have fared worst. Some companies recall months in 1981 without a single order.

The component and equipment companies fared better. Some companies with new and novel products, particularly electronics equipment, have actually increased business.

A few British companies which enjoyed an international reputation for their boats are missing from Earls Court, casualties of the business climate. Westerly Marine Construction is in the hands of a receiver after being the biggest builder of cruising yachts in Britain for many years. Seamaster, a builder of motor yachts, and Honnor Marine, builder of the Dracoones Lagger, have both closed.

The volume of business on the Earls Court stands in the next 11 days is likely to make or break some among the 44 exhibitors who are relying on the show to fill up empty order books.

But a number of the most soundly-based boat building and equipment companies believe the tide has turned in their

favour at last. They are twice as optimistic about the future as they were a year ago according to a new survey of trends in the industry by the Ship and Boat Builders' National Federation.

Those boatbuilders determined to survive are thinking more internationally than ever before. Exports now account for 30 per cent of British boats and equipment. The figure is expected to rise sharply as

world leisure markets recover. Foreign producers are also trying to open up export business. There is still a waiting list for stand space at the London Boat Show. This year the highest increase in demand for space has come from importers and agents for foreign boats, engines and equipment.

Boat Showrooms of London with a big range of United States and European-built yachts is importing a 56-ft luxury motor

cruiser, the Hatteras from the U.S. with a price tag of \$575,000 plus VAT.

United States-built motor yachts are invading the European markets. They are comparatively priced because current United States energy pricing policies mean oil based resin used in glass reinforced plastic hulls is one-third cheaper than in Europe.

European producers are fighting back however, and will be

strongly represented at Earls Court which is generally regarded by the boating companies as the centre-piece for the European industry.

Many European builders have held their prices now for more than a year. The rising costs of labour and overheads have been at least partly offset by falls of up to 30 per cent in the cost of resin as oil refinery product prices have eased.

One of Britain's oldest

marine equipment companies, Walker Marine Instruments of Birmingham, which made patent ships' logs in Nelson's day, is this year showing the world's smallest space satellite navigator. It can be fitted to family yachts for under £1,000. Two years ago Walkers gained a world lead with their original low-priced satellite navigator.

BL has also thought it worthwhile to become more active in the marine market.

Leyland Vehicles is producing a new range of four and six cylinder marine diesel engines. There will be six models between 85 hp and 200 hp and they will be marketed as complete marine packages.

Motor vehicle manufacturers are becoming increasingly interested in the boating market as a further outlet for engines. The Volkswagen Golf diesel engine is being sold in a marine form. BMW has its own marine engine plant, and Renault engines are being sold in marine form.

Lloyd's Register of Shipping is unveiling at the show a new computer service, which, it is said, can save yacht designers and builders much work in the calculation of hull structures. Builders will be supplied with information of structural sizes and strengths needed to comply with Lloyd's "rule" requirements for any yacht design.

The fun side of the show this year will centre around the pool. Wind machines have been installed so that sailboard demonstrations and dinghy racing can be staged, and the froth blown off the Guinness at the brewer's stand.



Mr Gwyn Jones (left) shows the Walker Satellite Navigator 402; Mr Paul Hadley at the wheel of the £275,000 Hatteras 48 motor yacht.

Roger Taylor

## A Vision for the Blind

How do you manage your own life when you cannot see, when other handicaps have played havoc with your education and when you have no home or hope of work?



June is partially sighted and had polio and TB as a child resulting in additional physical handicap. She is learning the deaf/blind manual to enable her to help her blind and deaf sister who has recently joined the Royal School.

The Royal School is about learning to be independent and to be responsible; discovering what is possible for each individual. We are looking forward to a future for 150 blind adults with additional handicaps. They have come to the Royal School for the Blind because no other place offers such residential care and training and the men and women (like June in our photo) are being given the opportunity to make a tomorrow of their own choice. In gratitude for your sight this Christmas please send a donation or write for further particulars to: Sir Ronald Watous JP, DL, Chairman, The Royal School for the Blind, Leatherhead, Surrey KT22 8NR Telephone: Leatherhead 75464.

**Royal School for the Blind**

President: His Grace the Archbishop of Canterbury  
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# Train drivers warned of 'major crisis' facing BR

By Philip Bassett, Labour Staff

BRITISH RAIL warned its train drivers yesterday that the industry was facing a "major crisis" over the pay and productivity dispute with the drivers' union, the Associated Society of Locomotive Engineers and Firemen.

In a sternly-worded letter sent to all full-time staff and displayed on staff notice boards, Mr Bob Reid, BR's chief executive, said that the present overtime and rest-day working ban, and the day strike threatened on Wednesday and Thursday next week, were a "disastrous confrontation".

He said: "Major disruption to our services will increase the loss of business, loss of customer confidence and Government backing, and inevitably the loss of major investment in our industry so desperately needs."

Mr Reid said that some traffic which would normally have gone to the railways was already being lost by the threat of industrial action.

The letter outlined the BR Board's case for withholding payment from the drivers of the 3 per cent second stage of this year's two-part 11 per cent pay deal, and made it very clear that ASLEF had to stand by its agreement reached in August to vary the eight-hour working day.

Despite this stern warning, though, BR said yesterday that disruption to services by the two bans in force was probably less yesterday than it has been

so far this week since the action began on Monday.

BR officials are trying to arrange a meeting, possibly next Monday, with all its three unions in the form of the Railway Staffs' National Council, the industry's highest-level negotiating body.

Unofficial approaches are understood to have been made to ASLEF, who have replied by asking whether the 3 per cent would be paid prior to any meeting. BR told them it would not pay it until it had secured the productivity agreement.

However, officials are hopeful that efforts can be made to coax all parties round the negotiating table. Mr Len Murray, TUC general secretary, is still in touch with all parties.

## Electricity supply shop stewards seek ballot

By Philip Bassett, Labour Staff

POWER WORKERS' shop stewards are pressing that any pay offer to the 90,000 electricity supply manual workers, whose annual pay negotiations open today, should be put out to ballot. Previous ballots have rejected various offers, which have then been increased.

Union leaders are expected to claim for substantial increases, improvements in hours and additional payments.

The Electricity Council, representing the 12 area boards and other employers, are likely to postpone their reply until February 4.

The unofficial power workers' shop stewards committee, drawing up its annual claim, has stressed to negotiators that any offer should be put to ballot. They believe the mere warning of a ballot would suffice to win an increase on any offer, following the precedent of the 1979 talks, when offers were rejected in two successive ballots and increased each time before a settlement near 23 per cent was reached.

Ballot procedures in the industry are unusual. Local managers check off the employees concerned against a wage list, ensuring high participation. Workers are provided with ballot papers, drawn up by employers and unions, which are then filed in secretly, and counted by the Electoral Reform Society.

## Philip Bassett looks at how workers select their leaders

# Spotlight on union poll systems

IN THE HEAT surrounding Mr Arthur Scargill's elevation to the presidency of the National Union of Mineworkers, one of the election's most important points has gone virtually unnoticed.

The size of the poll was 80 per cent—high for any election, but beyond all expectation for most trade unions.

The miners' ballot is only one of a number of union electoral contests which highlight the issue of how full-time officials are selected:

● Engineering workers: campaigning is under way again for the second round of balloting to decide who will succeed the moderate Sir John Boyd as general secretary of the Amalgamated Union of Engineering Workers. Communist Sir Ken Burt topped the first poll, but the moderate Mr Gavin Laird is favourite to win overall.

Yet when he was elected to replace the left-wing Mr Hugh (now Lord) Scanlon, Mr Duffy polled just under 10 per cent of the votes available. When his success was reaffirmed in a second vote two years later, his percentage dropped to just over 13. His supporters described this as a "landslide" victory.

Periodic re-elections cause problems too. Both managers and union officials complain of the absence of AUEW officials from meetings as their term of office draws on and they have to devote themselves to campaigning.

Elections may shift the union to the left or the right, but removal of sitting officials who might be judged out of touch

size. Some evidence has suggested attendance may be less than 10 per cent.

The moderate Mr David Bassett won almost 30 per cent of a claimed 85 per cent poll when he secured the general secretaryship in 1972. This was about 25 per cent of the electorate, based on branch nominal sizes. On the basis of members voting, it is thought he was elected by less than 15 per cent.

The Government and many others, including Independent Electoral Reform Society, which carries out many union ballots, see postal voting as the answer to low and therefore often unrepresentative election turnout.

Opponents of the postal vote

It would have done little, however, to the result of the 1974 ballot for the National Union of Seamen leadership. In spite of six months' organisation, NUS members on ships all over the world produced an extremely low poll.

Pressure for reforming the selection of full-time union officers in the UK is not just coming from the right. Increasingly, as in the Labour Party, union left-wingers are seeking greater accountability of their representatives.

A Militant Tendency programme for the railwaymen's union, which already elects its officials, says: "All officials, including the most important of all, the general secretary, are elected for life. All full-time positions should be subject to

### OFFICIALS' SELECTION IN THE TUC'S LARGEST UNIONS

Union and members	Broad political position	General Secretary	Other senior officials	Points
TGWU (1,783,000)	Left	Elected	Appointed	General secretary—individual ballot, distributed through branches
AUEW (1,100,000)	Right	Elected	Elected	Postal ballot
GMWU (915,654)	Centre-right	Elected	Appointed	General secretary—block branch vote
Nalco (782,343)	Centre-right	Appointed	Appointed	By executive
Nupe (699,156)	Left	Appointed	Appointed	By executive
ASTMS (491,000)	Left	Appointed	Appointed	By executive
Udew (450,287)	Trad. right but left recently	Appointed	Appointed	By executive
EFTU (405,000)	Right	Elected	Appointed	Postal ballot
Ucat (312,000)	Left	Elected	Elected	Branch vote; re-election after five years
NUM (256,962)	Right majority	Elected	Appointed	President and General Secretary—"pit-head" individual ballot

Membership figures: latest supplied by TUC.

with members is rare. Established officials are often better known than their opponents, and can make use of the union's machinery of communication.

In the TGWU, for example, only the general secretary is elected. Every other official is appointed by a sub-committee of the national executive.

Probably because of this single election, polling is often high. Mr Moss Evans was elected on a claimed 39 per cent poll. Even so, he secured only just over 20 per cent of the votes available, although in a union the size and variety of the TGWU, that is no mean achievement.

The position of the General and Municipal Workers' Union is perhaps the most notoriously deceptive. The union operates a system of block branch voting. A decision is taken for a candidate at a branch meeting by whoever attends, but the vote for a candidate is given on the basis of the branch's nominal

say it undermines union solidarity, and leaves members open to Press and other influences.

Postal ballots help turnout. When the AUEW operated branch balloting, the then Mr Hugh Scanlon was elected president on just over 6 per cent of the electorate. In the first main election by postal ballots, Sir John Boyd was elected general secretary on about 19 per cent.

The Government has been singularly unsuccessful in spreading the use of postal ballots by making money available under last year's Employment Act.

A recent study showed that in the first year of operation, the provision attracted only 14 applications. Four were successful and one received all the money claimed.

Postal balloting would have helped to prevent the vote-rigging scandal in the electricity union which led to the 1981 trial.

election at least every three years, with the provision that the members may recall and replace where necessary those officials who may become out of touch with the shop floor."

The revised Militant aim of five-yearly elections is practised in the left-led building workers (Udew) and firemen's (FBU) unions, and its adoption this year by the CPSA led to the present round of fiercely-contested elections.

Opponents of union elections say the appointment of officers has helped the emergence of often extremely able professional officials.

The Government is wedded to its idea of improving unions' internal democracy. The advantages to the Government are clear, but there are pitfalls. To go to Shaw for a faded view: "Democracy substitutes election by the incompetent many for appointment by the corrupt few."

## Opencast miners seek new deal

By John Lloyd, Labour Correspondent

LEADERS OF the country's 7,000 opencast coal workers have called for an urgent meeting with employers to press for improved pay and conditions within the lifetime of the present agreement, which ends in June.

A delegate conference of the industry's dominant union, the Transport and General Workers, yesterday threatened withdrawal from the Civil Engineering working rules agreement, under which the industry's negotiations are conducted.

A number of delegates said they would be prepared to take industrial action in support of

their claim. They believe that independent negotiations between the union and the Opencast Coal Contractors would improve their rates.

The industry produced 15.3m tonnes of coal last year, and a profit for the National Coal Board of £155m, both a record.

George Henderson, the TGWU national officer for the construction industry, said yesterday: "I have every sympathy and support for our members who work under hazardous conditions and are entitled to an improvement in their wages and conditions, based on their productivity and the profits are are making for

## Parity rise call in Civil Service pay

By Our Labour Staff

COMPARABILITY WITH outside pay increases since the 1980 Civil Service pay settlement would mean rises for Civil Servants this year of 20-30 per cent, according to evidence presented to the Treasury by the Council of Civil Service Unions.

The CCUS says this backs its claim for an increase of 13 per cent this year for the 630,000 white-collar Civil Servants. The full quarterly meeting of the unions today will consider this year's pay.

The Civil Servants' pay, which has risen in the last year, on such success as the Government's average earnings index, and secondly, on pay movements recorded in the Government's New Earnings Survey.

Taking the first approach, unions say that "taken together, the calendar year increases for 1980 and 1981 provide a cumulative increase for outside rates of approximately 30 per cent.

Even taking into account the 7½ per cent won last year after a 21-week strike, the unions estimate their pay shortfall at between 16 and 21 per cent. This "serves to demonstrate that, even if our 1982 claim were met in full, Civil Servants would still be denied full justice in pay."

## 'Work-in' to fight closure of smelter

By Brian Groom, Labour Staff

A MASS MEETING of workers at British Aluminium's smelter at Invergordon in the Scottish Highlands voted yesterday to begin a "work-in" at the plant, which is being closed with the loss of 890 jobs.

Mr Archie McCreery, chairman of an action committee formed to fight the closure, conceded that aluminium could not be produced without electricity being supplied. But work could be done to prepare the plant for a restart.

The workers want to press the company and the Government to reach a deal on power costs, which is given as the cause for the closure.



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### PUBLIC NOTICES

#### Competition Act 1980

#### Anti-competitive Practice investigation

#### Sheffield Newspapers Limited

#### Competition reference under section 4

The Director-General of Fair Trading has published a report under section 3 of the Competition Act 1980 (the "Act") stating that certain courses of conduct pursued by Sheffield Newspapers Limited constitute anti-competitive practices and that it is appropriate for him to make a reference under section 5 of the Act. The Director-General has not accepted from Sheffield Newspapers Limited undertakings which, in his opinion, cover every course of conduct which is described in the report as constituting an anti-competitive practice. Therefore, in exercise of his powers under section 5 of the Act the Director-General hereby makes a reference to the Monopolies and Mergers Commission (the "Commission") as follows:

- the person whose activities are to be investigated by the Commission is Sheffield Newspapers Limited;
- the goods and services to which the investigation is to extend are newspapers, the service of distributing newspapers and similar publications which consist wholly or mainly of advertisements, and advertising services in relation to the advertising of real property;
- the courses of conduct to be investigated are:
  - the supply of newspapers to newspapers on the terms of clause 5(d) of Sheffield Newspapers Limited's "conditions of supply—September 1980," including any amendment to that clause effected by its letter of 24 October 1980 or its notice of 10 February 1981;
  - the granting of an annual discount to estate agents of 5 per cent on condition that an estate agent should advertise in the Property Telegraph for at least 48 weeks out of 52.

A report of this reference is to be made within six months of the date of the reference, 21 December 1981.

The Commission will investigate and report on whether Sheffield Newspapers Limited have been pursuing the courses of conduct specified at (c) above at any time during the 12 months ending on 21 December 1981 and if so, whether they amount to anti-competitive practices. If so, the Commission will also report on whether the practices operate, or might be expected to operate, against the public interest and, if so, what are the effects adverse to the public interest.

If you have any information which would help the Commission in their inquiries please write as soon as possible to:

The Secretary,  
Monopolies and Mergers Commission,  
New Court,  
48 Carey Street,  
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Experienced Salesperson/Analyst to lead team of three specialising in Investment Trusts. This is a key appointment with appropriate financial remuneration, including bonus.

Please write or telephone. In confidence, to Digby Dodd at Overton Shirley and Barry, (Management Consultants), 2nd Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Telephone: 01-353 1884/1169.

These are equal opportunity vacancies.

Overton Shirley and Barry **OSB**

## Sales Consultant FINANCIAL SERVICES

c£10,000 + Car, City based

Moody's Investors Service, the leading U.S. Bond Rating and International Financial Information provider, is expanding its London-based sales team.

The Moody's Sales Consultant will liaise at Senior Executive level within the Financial and Commercial Community—principally Investment Managers, Security Dealers, Stockbrokers and research organisations. He/she should have a working knowledge of the investment market place and preferably have some previous sales experience. Knowledge of a European language would be useful but is not essential. The availability to travel to Financial Centres throughout the U.K., and possibly Europe, is essential.

Moody's Investors Service is a company of The Dun & Bradstreet Corporation and its European Sales Office based in London is part of the Financial Information Services Division of Dun & Bradstreet Limited. In keeping with a major organisation an attractive compensation package, including a Company Car, is offered.

In the first instance applicants should send a comprehensive c.v. to:

Mr. P. H. Steer, Personnel Manager,  
Dun & Bradstreet Ltd.,  
26/32 Clifton Street, London, EC2P 2LY.

## Moody's Investors Service

a company of  
The Dun & Bradstreet Corporation

## SENIOR ECONOMIST

MONTAGU, LOEBL,  
STANLEY & CO.

Stockbrokers Montagu, Loebel, Stanley & Co. require an experienced economist to work with an existing team on macro-economic studies. The work will involve analysis and forecasting of the U.K. economy, major currencies and overseas interest rates. The successful candidate will be expected to assume early control of the Firm's research documents and be able to liaise with clients on economic matters. We anticipate that he/she will be in their late twenties with previous experience of this kind of work. Remuneration by negotiation, subject to age and relevant experience. Please reply in confidence, enclosing full curriculum vitae, to:

Michael Birks  
MONTAGU, LOEBL, STANLEY & CO.  
31, Sun Street, London EC2M 3QP

## DEALERS

Cambridge Appointments has been retained by several major institutions to recruit Dealers of various disciplines. Below is a small selection of our dealing vacancies and should you have a requirement, please call us on the number below:

SENIOR FX DEALER  
Salary negotiable  
EUROBOND SALESPERSON  
Salary £15,000 minimum  
FX DEALER  
Salary £18,000  
TRAINER FX DEALER  
Salary negotiable  
CAMBRIDGE APPOINTMENTS — 01-423 0101

## Executive Appointments

The specialist service for senior executives seeking new appointments. Our success-related fee structure is unique. Contact us for a confidential meeting.

**Comnaught**

73 Grosvenor Street, LONDON W1 — 01-423 8504



## DIRECTOR OF FINANCE AND ADMINISTRATION

Midlands based.

ROSPA, the National Safety Organisation, invites applications from suitably qualified executives for this senior position upon the retirement of the present director in March 1982.

The Society, a registered company and charity, is concerned with the prevention of accidents at work, on the road, at home and at leisure. The staff at its head and regional offices totals 180 and its turnover is currently about £2.75m per annum, income being largely derived from commercial operations. The Society works closely with a wide range of organisations, including companies, central and local government and private individuals who as members support its activities by subscriptions, purchase of publicity materials and other services, and by serving on its policy-forming committees. Membership services include the publication and distribution of periodicals and training courses run by highly qualified staff.

The appointee will be responsible to the Director General for all financial and administrative aspects of the Society's work, including direct management of specific departmental activities and he/she will be required to provide positive management control over and direction to the Society's financial and commercial activities. The Director of Finance and Administration is also Secretary to the Society and deputises for the Director General in his absence.

The post calls for proven experience at senior executive level and candidates should possess an accountancy or secretarial qualification.

A commensurate salary commensurate with the importance of the post is negotiable. Terms and conditions of service include 30 days annual plus statutory holidays and a contributory pension scheme with free life cover. Relocation assistance is available if necessary.

Applications, in strict confidence, giving details of career to date, including age, present employment and salary level, should be addressed to:-

The Director General,  
The Royal Society for the Prevention of Accidents,  
Cannon House, The Priory Queensway,  
Birmingham B4 6BS,  
within 14 days of publication.



ROSPA  
The largest and most comprehensive  
safety organisation in Europe

## Lending Officers

Bank of America is seeking Lending Officers to join its Nordic Regional Office, based in London. Responsibilities will include developing new business with corporate clients in Norway, Sweden, Finland and Iceland, as well as maintaining existing account relationships.

Candidates, aged 25-30, should have at least three years' experience in banking or in the finance department of a major Scandinavian company, and must demonstrate the personal qualities required to deal effectively with clients at senior management level. Fluency in at least one Scandinavian language and English is essential.

Prospects for further career development are excellent and competitive salaries will be augmented by an attractive package of fringe benefits.

Write, with full personal, career and salary details, to A. J. Tucker, Recruitment Officer, Bank of America NT & SA, 25, Cannon Street, London EC4P 4HN.



BANK OF AMERICA

## CORPORATE ACCOUNTANT

Central London

£14,000-£16,000 + Car

We have been retained to recruit a senior accountant to be based at the centre of a major group which has a diverse range of interests in the food, leisure and entertainment sectors. Our client has recently acquired substantial additional interests in North America and is continuing the process of developing activities in the U.K. and overseas.

In view of these changes, the group now has need of someone to assist the Controller in a wide range of financial and management matters. In particular, the successful candidate will take responsibility for developing and upgrading the computerised accounting systems to improve the flow of financial and management information available at the centre. However, his/her role will also cover a variety of other accounting functions including related ad hoc projects.

Ideally applicants should be qualified accountants, with good experience of computer auditing and/or working with computerised accounting systems. A knowledge of U.S. reporting requirements would be an advantage. Of particular importance is the need for an outgoing personality and the potential for general progression within the group.

For further details please telephone Richard Norman, F.C.A., or Paul Corvoso, A.C.A., on 01-836 9501 or write enclosing a curriculum vitae, to our London office quoting reference 3509.

410 Strand FREEPOST London WC2R 0BR.  
Tel: 01-836 9501  
26 West Nile Street FREEPOST Glasgow G1 2BR.  
Tel: 041-226 3101.  
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744.

DOUGLAS  
LLAMBIAS  
Douglas Llammbias Associates Limited  
Accountancy & Management  
Recruitment Consultants



## Young Qualified Accountant for Marks & Spencer

We require a qualified Accountant in his/her mid twenties for a time management position in our Accounts Department at Head Office in Baker Street.

Accounting experience in commerce or industry would be an advantage and knowledge of computerised accounting is desirable.

There are excellent opportunities for the development of a career within the finance areas of the company.

The salary is negotiable, according to age and experience but will be in the region of £11,000 p.a., and there are many excellent staff benefits including a non-contributory pension scheme, life assurance cover, 4 weeks holiday after one year's service and profit sharing after a qualifying period.

Please write for further details to:-

Mrs. S.E.A. Young,  
Marks & Spencer, Michael House,  
Baker Street, London W1A 1DN.

St Michael

## Senior Auditor CONTROL A EUROPEAN AUDIT TEAM

S.W. London

c.£12,000 + Car

Reporting to the Director of Audits, you will travel extensively in the UK and Europe visiting such countries as France, Germany, Austria and Scandinavia. A recent restructuring of the Audit Department offers you the opportunity to really develop the function and implement new controls.

You must, therefore, be mature and outgoing by nature, probably in your thirties, ACA qualified and preferably with some commercial audit experience. An effective communicator, you will also have sound planning/organisational skills and the ability to manage your team efficiently.

A leading manufacturer of pharmaceutical and home care products has now created this position to head up a small, independent team. Responsibilities will include conducting countrywide audits, appraisal of EDF systems and recommending improved audit procedures.

There are good development prospects and benefits include an attractive salary, Company Car, BUPA, Pension/Life Assurance, annual bonus and 4 weeks holiday. If you are interested, ring or write to me, Stephen Boyd at Cripps, Sears & Associates (Personnel Consultants), Burne House, 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701 (24 hours).

Cripps, Sears

## Fund Managers (2) Major Investment Company

to £18,000

We have been asked by our Client, the investment arm of a major Accepting House, to find two outstanding Fund Managers. Our Client is one of the largest forces in the investment scene and operates across the full range of pension fund management, unit trusts, corporate funds etc.

They now seek two men/women, almost certainly graduates, in their late twenties or early thirties with a minimum of five years' experience of investment gained in research based organisations.

### Pension Fund Management

The person appointed will already be working in the pensions area and will preferably have experience of local authority accounts. There is likely to be a considerable marketing element to the job.

### Unit Trusts

This job calls for a person who combines both analytical and fund management skills. The ideal person is likely to be an Analyst/Fund Manager with a stockbroker/insurance company/bank who wants to move into specialist fund management.

As well as a generous remuneration figure, which will include a bonus element, there are the usual banking benefits such as a subsidised mortgage etc.

Please write with full details to Colin Barry at Overton Shirley and Barry, (Management Consultants), 2nd Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley  
and Barry



## FINANCIAL ACCOUNTANT

Essex c.£11,000 + bonus

If you're an experienced Accountant and are looking for an appointment which will give ample scope to develop your experience then we can provide you with all the opportunities you need.

P. C. Henderson is one of the leading manufacturers and suppliers of high quality industrial, commercial and domestic door systems.

This appointment carries responsibility to the Financial Director for the whole range of the financial accounting function - credit control and payroll, internal audit, systems review, performance analysis, cash flow forecasts and annual budgets. You'll also be playing a major role in the continuing computerisation of our financial systems and procedures.

Our need is for a man or woman aged 30-45 with an ACA or ACCA qualification and several years' sound practical financial accounting experience in a manufacturing/commercial organisation. We're looking for a strong personality, man management skills and the ability to lead and motivate a staff of around 20. Above all, we require a professional and creative outlook and a thorough appreciation of the accountability role as a key management function.

Salary will be negotiable around £11,000 per annum plus a profit based bonus. In addition, there are attractive company benefits of the sort you'd expect from a major international company.

Please send a c.v. to Mr. G. A. Gardner, Group Personnel Manager, P. C. Henderson Limited, Harold Hill, Romford, Essex, RM3 8UL. Telephone: Ingrebourne 45555.



## Finance Director

A Multinational Industrial Group has an urgent need for an experienced Finance Director for its International Operations. Based in London the vacancy is a direct result of recent expansion through acquisition.

The Company specialises in consumer products but also has significant industrial interests in the UK and overseas.

Particularly good career development opportunities exist and the ideal man or woman will probably be aged about 40 and currently earning a minimum of £40,000 per annum.

Standard additional benefits exist together with a significant direct financial incentive scheme.

Replies containing comprehensive career details and quoting reference C32/ET will be forwarded direct to the Management Consultants advising on this appointment.

London  
40 Berkeley Square  
London W1X 6AD  
Tel: 01-629 9496

Recruitment Advertising & Executive Selection



## Assistant to Director of Funds

This is a key post in the team responsible for the control on the British Railways Board's central funding operations. The ideal candidate will have corporate treasury/banking experience at a senior level and be in the 35-45 age range.

Commencing salary, dependent upon experience and qualifications, will be around £16,000 p.a. including London Allowance. There are generous travel facilities.

The location is in the City of London. Applications should be addressed to:

Chief Accountant,  
British Railways Board,  
222 Marylebone Road,  
London NW16JJ.



## Banking Personnel

### RECRUITMENT CONSULTANT

Age: 25 - 35  
Since its inception in 1977, the name of Banking Personnel has become synonymous with the very highest standards of professionalism in the field of bank staff recruitment. In order to maintain our present level of growth in an expanding but highly competitive market, we now require an additional consultant to augment our close knit team of successful consultants. Whilst previous experience of banking recruitment is desirable, we would also be interested to hear from anyone with a good solid Banking or specialist agency background. The successful candidate will be personable, articulate, and self-motivated, with a genuine interest in furthering the career objectives of our candidates. In addition to an extremely competitive salary, we offer a generous mileage reimbursement scheme, and the security of working for a highly successful division of a major U.K. Group of Agencies.

Please contact our General Manager MARK STEVENS on 01-588 0781 in strict confidence.

OUR NAME IS YOUR GUARANTEE OF CONFIDENTIALITY.

41/42 London Wall, London EC2. Telephone: 01-588 0781

## TREASURY MANAGER

£20,000

An International merchant bank wishes to appoint a new Head of its Foreign Exchange Dealing operation. The ideal candidate will have spent the last two years in a junior managerial position in a bank active in dealing, be aged 40/55 and experienced in dealing in all major currencies. The successful applicant will manage the new treasury/dealing area and be responsible for profitable entry into the money markets.

BRANCH MANAGER

to £25,000

CREDIT ANALYST

to £14,000

LOAN ADMIN. MANAGER

to £15,000

Applicants with appropriate qualifications should telephone Richard Meredith

## LEASING DIRECTOR(S)

c. £25,000 + benefits

Two executives at director level are required. In each case an equity participation is a distinct possibility.

One requirement is for a successful, highly-motivated candidate with relevant degree and/or ACA qualification who will be responsible for marketing and also for negotiation, documentation and structuring of the lease.

The second is for a director or principal of a small leasing company who specialises in the retail, small-ticket operations, e.g. cars, medical equipment, micro-computers, etc.

Suitably qualified applicants should telephone Brian Gooch



BANKING RECRUITMENT  
CONSULTANTS

170 Bishopsgate - London EC2M 4LX - 01 623 1266

## CAPEL-CURE MYERS

### INSTITUTIONAL SALES - RETAILING

We wish to recruit a Sales Executive for our well established team in the Retail Sector.

Aged between 25 and 35 the successful candidate will be responsible for marketing high quality specialist research. He/she will have a degree or professional qualification and a successful track record of selling research based services, particularly to insurance companies, pension funds and merchant banks. Previous experience of marketing or research in the sector would be an advantage.

The successful applicant will be joining a highly motivated professional team which has already established an authoritative reputation. Status and reward are unlikely to be limiting factors and the appointment provides an excellent opportunity in a profitable and ambitious firm.

Please apply, in confidence, giving brief particulars of career to date to:

James Neill, Personnel Manager

CAPEL-CURE MYERS

Bath House, Holborn Viaduct, London EC1A 2EU

## MAJOR EUROBOND DEALERS

in primary and secondary markets have a vacancy for an experienced Bond Salesman. Salary negotiable.

Please apply in writing to P.O. Box 361, Streets Financial Limited, 18 Red Lion Court, Fleet Street, London EC4A 3HT.



## Two Qualified Actuaries for Albany Life to £20,000+car

Albany Life is one of the truly successful Companies in the Insurance industry with a rate of growth unparalleled since our formation in 1975. We now have assets under management in excess of £100M. In line with this expansion we now wish to recruit two additional actuaries, for our Head Office in Potters Bar, Herts.

### Assistant Actuary

Reporting directly to the Company Actuary you will be responsible for the full range of actuarial activities, including product development, corporate modelling, valuation and reporting.

### Marketing Actuary

To be responsible for product development and profit testing. There is a certain amount of travelling involved in this position, visiting Brokers in the field.



For both positions we require you to have considerable experience in unit-linked products and obviously the ability to program a microcomputer is an advantage. Albany Life is an innovative organisation and you will have considerable scope to make your own personal contribution to the development of the Company. In addition to the salary you will receive a first class range of benefits including non-contributory pension, free BUPA and comprehensive relocation assistance should you need to move. Reply in complete confidence to: Richard M. Knight, Senior Personnel Manager, Albany Life Assurance Company Limited, 3 Darkes Lane, Potters Bar, Herts. EN6 1AJ. Telephone: Potters Bar (77) 42311.

**Albany Life Assurance**

A member of the £1,000 million American General Company Group of Insurance Companies. Investment Advisers: Working Investment Management Ltd.

## Group Chief Accountant Service Industry Around £22,500

This successful and expanding international group provides a wide variety of services to industrial and domestic markets. It is a market leader in its field. Turnover £85 million with over 6,000 employees worldwide.

Responsible initially to the Group Financial Director, the Chief Accountant will control a small headquarters accounting staff and will have functional responsibility for accounting in the overseas subsidiaries.

Candidates aged 35 to 40 must be qualified accountants with at least eight years' experience of senior international financial management in industry or commerce. This is a high-calibre appointment with excellent prospects.

Salary negotiable as indicated plus car and profit share. Location Surrey/Sussex border.

Please write - in confidence - to David Bennell ref. B.43663.

This appointment is open to men and women.

**MSL**

United Kingdom Australasia Benelux  
Canada France Germany Ireland  
Italy Scandinavia South Africa  
Switzerland U.S.A.

Management Selection Limited  
International Management Consultants  
52 Grosvenor Gardens London SW1W 0AW

## GROUP ACCOUNTANT CITY UP TO £15,000+CAR

This appointment, which arises due to internal promotion, is based at the international headquarters of a substantial quoted group. Reporting to the Group Financial Controller, and acting as his deputy, the successful candidate will be a key member of a small central finance team.

Principal responsibilities will be in the areas of financial reporting, treasury, data processing and the provision of financial advice to subsidiaries. There will also be involvement in a wide range of ad hoc assignments, including acquisitions and disposals.

Applicants must be graduate Chartered Accountants with a good examination record in the age range 28-35. They should already have gained some experience outside the profession. Please send a comprehensive career résumé, including salary history, quoting ref. 2042 to G. J. Perkins.

Touche Ross & Co, Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011

A member of the Management Consultants Association

## HOARE GOVETT Financial Sector Analyst

Hoare Govett is expanding its coverage of the Financial Sector and will be recruiting an analyst with at least two years experience (preferably in the financial area) to join a team which is well respected by the investment institutions.

Starting salary will be competitive and there are excellent prospects for further advancement. Applications which will be treated in confidence should be sent to:

R. D. Cowell  
Head of Investment Research  
Hoare Govett Ltd.  
Heron House  
319/325 High Holborn  
London WC1V 7PB

هكذا من العمل

## LOANS ADMINISTRATION

-Section Head

£10,000

## DOCUMENTARY CREDITS

-Senior Assistant

£10,000

Saudi International Bank is a rapidly expanding international Merchant Bank with offices in London and New York with assets of approximately \$2 billion. The Bank is young, both in its management team and outlook, and has shown consistent growth since its establishment 6 years ago.

This vacancy calls for applicants, male or female, preferably aged 27+ with a significant background in a Loans Administration environment including some supervisory experience. Knowledge of Guarantees, Letters of Credit, Local Authority lending is desirable but not essential. Responsibilities will include the administration of commercial loans for all types and currencies, from sole lending to agency function for syndicated loans. Prospects exist to advance into bank lending within 3-4 years.

Applications are invited from candidates, male or female, aged 25+ with 5 years experience in Documentary Credits. The successful applicant, who will report to the Head of the Department, will be responsible for the opening of credits and payment against documents. Good opportunities for progression exist within this department.

The people required for both these vacancies should be highly motivated, with plenty of drive and energy plus the ability to work with speed and accuracy.

An excellent range of fringe benefits is offered, including mortgage facilities, 4 weeks holiday, free PPP, free lunch, non-contributory pension scheme and free life assurance scheme.

Please contact Miss S. Moore, Assistant Manager - Personnel, Saudi International Bank, 99 Bishopsgate, London EC2M 3TB. 01-588 2323.

البنك السعودي العالمي المحدود

**Saudi International Bank**  
AL-BANK AL-SAUDI AL-ALAMI LIMITED

## F.X. CUSTOMER DESK DEALER

£15K + PERKS  
required for leading prestigious  
Merchant Bank. Aged 25-30. Three  
years' min. experience. CVs to be  
sent to:

V.P.N. EMPLOYMENT  
8 Liverpool Street, London, EC2

## Bank Economist

A City-based major international banking group has a vacancy for a junior economist, with at least two years' experience in commercial, financial or other relevant employment since graduation.

The post is in the Economic Department, which is concerned with a wide range of subjects including country risk assessment, currency and interest rate forecasts, commodity markets, the many developing countries in which the group operates and developments in the United Kingdom, the United States and elsewhere in OECD. Opportunities for specialisation will be given.

The appointment will interest a young economist possessing a good degree in economics or an associated discipline who is keen to join a lively, well-established team. There is an attractive basic salary and ancillary benefits are substantial. A working knowledge of a major European language would be useful.

Write, giving relevant personal data and career history to The Manager, (U.K. Manpower), Personnel Division, Standard Chartered Bank Limited, 10 Clements Lane, EC4N 7AB.

**Standard Chartered**  
BANK LIMITED

## COMMISSION FOR LOCAL AUTHORITY ACCOUNTS IN SCOTLAND

### DEPUTE CONTROLLER OF AUDIT

Applications are invited from suitably qualified persons for the post of Depute Controller of Audit. The present holder of the post has been appointed to succeed the Controller of Audit who retires on 31 March 1982.

The Controller is the chief officer of the Commission and is required to supervise and guide the external audit of the accounts of all Scottish local authorities (total annual expenditure c. £4,000m) undertaken partly by the Commission's staff and partly by firms of accountants. He/she reports to the Commission and the local authorities on all significant matters arising from the audits.

The Depute is required to assist the Controller in fulfilling these functions in addition to deputising for him as necessary. The Commission is therefore seeking a person of proven ability who can demonstrate substantial experience and achievement in financial administration. A professional accountancy qualification and a knowledge of modern audit practice are essential. The present salary scale for this appointment is £17,577 to £19,235.

For further details and an application form apply, quoting reference 8201 to:

The Secretary, Accounts Commission,  
18, George Street, Edinburgh EH2 2QU.  
Telephone: 031-226 7346  
Closing date: 31 January, 1982.



## West Midlands County Council

### COUNTY TREASURER'S DEPARTMENT PRINCIPAL INVESTMENT ASSISTANT

£9,528 - £10,581 Post Ref: CT 2845

To initiate purchases and sales of investments in the UK equity portfolio of the Superannuation Fund. Duties include instructing stockbrokers, maintaining a close contact with the stock market and conducting analytical research into UK companies.

Applicants should possess a first qualification and have at least 2 years' qualification experience in a financial organisation, willingness to work with minimum supervision and a capacity to make sound decisions under pressure essential. For further information please telephone Mr. S. B. Summers on 021-300 6788. Starting salary negotiable within range stated.

Assistance may be given towards relocation and lodging expenses in approved cases.

Applications by letter only stating post ref., age, date of birth, education, qualifications, experience, present and previous appointments with salary details to: County Personnel Officer, West Midlands County Council, County Hall, Birmingham B4 7DJ, by 18th January 1982 (please enclose SAE for reply and mark envelope containing application with Post Ref. No.). The County Council is an Equal Opportunities Employer.

## \$10,000

For an Occasional Hour's Work?

Some of our representatives make more

American financial management corporation desires representation in the U.K. Position involves presentation of a highly profitable U.S. investment programme to large investors (U.S.\$100,000 minimum). References.

FINANCIAL PRESENTATIONS INTERNATIONAL

Tel: 01-834 9098

## Manager - Insurance and Risk Management

LONDON WC1

£18,000

British Gas seeks a dynamic manager with the professional competence to lead a small team of specialists in insurance and risk management at its Holborn office.

The Corporation has a turnover approaching £5,000 million per annum and net assets of £10,000 million. Its activities are wide, ranging from offshore exploration for gas around the British coastline, to distribution and supply ashore.

The person appointed will have the responsibility for preparing an overall insurance programme in conjunction with the Corporation's insurance advisers and for providing an efficient on-going service extending to risk management in all areas. Ability to plan and work to tight deadlines is essential, demanding analytical skills and sound business judgement, together with a high level of self-motivation and proven management ability.

Applications are invited from men and women who preferably have experience of insurance and risk management with a large industrial concern or with a major insurance company or broker.

Please write with details of qualifications and experience quoting reference number F/012401/015/FT, to: Personnel Manager [H.Q.], British Gas Corporation, 59 Bryanston Street, London W1A 2AZ.

**BRITISH GAS**

## Partnership Secretary

CITY

£17,000+car

The substantial expansion of this firm of solicitors over the last ten years, both in the UK and overseas, has created the need for this new position.

The post is of partner status and carries responsibility for all administration and support services, and accounting and financial control.

You should have sound experience of administration and of motivating staff, a practical approach to business problems, and personal qualities of energy, maturity and tact. A secretarial or accounting qualification could be helpful but is not essential.

Write in confidence to E. H. Simpson, quoting ref. S020, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

**Chetwynd  
Streets**

Management Selection Limited



## Banking Personnel

### CHIEF DEALER

Age: 30+ Small but well-established London branch of international bank seeks mature, innovative person with at least 10 years' experience of FX and Deposit Dealing in the City. This could suit an ambitious No. 2 who would prefer full autonomy to a smaller setting. Please contact MARK STEVENS

### HEAD OF LOANS ADMINISTRATION

Age: 35-40 Capitalise on your current comprehensive knowledge of trade-related loans documentation as the head of a busy department in one of the City's most rapidly expanding international banks. The ability to motivate and supervise a young team is almost as important as the appropriate technical expertise, and career prospects are excellent.

### JUNIOR CREDIT OFFICER

Age: 26-32 If your banking skills embrace at least five years' credit experience in a major bank (i.e. loans admin, credit analysis etc.) and you're looking for a chance to utilise your knowledge in a position which involves considerable client contact and eventual marketing involvement, this position with a leading European bank offers just such an opportunity.

For further information please contact in confidence MARK STEVENS or TREVOR WILLIAMS on 01-588 0781

41/42 London Wall, London EC2. Telephone: 01-588 0781

## Top Executives

Our clients find better opportunities. Are you interested?

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management consultants have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today?

MINSTER EXECUTIVE LTD. 28 Bolton Street, London W1Y 8BB. Tel: 01-494 1287/1055



## Senior Dealer

### Courtaulds Treasury Department LONDON

This key new appointment, in our Treasury Department's dealing section, calls for candidates - probably aged over 30 - with at least 3 years' experience in either dealing or a support capacity, within a major corporation's treasury function or a bank.

Supervising two other dealing/settlement staff, the Senior Dealer will be responsible to the Group Treasurer for the complete operation of the Section. This will involve:

- \* central pooling of UK sterling bank balances (including management of the consolidated cash position)
- \* management of central foreign currency bank accounts
- \* foreign exchange transactions
- \* short-term sterling and currency deposits and money market borrowing
- \* drawings on multi-currency borrowing facilities.

An attractive salary will be offered plus a comprehensive range of large group benefits.

Please write with full personal and career details to: J. A. D. Wetenhall, Courtaulds Limited, 18 Hanover Square, London W.1.

**COURTAULDS**

## GENERAL MANAGER

Salary: £22,500+

Age: 40+

A qualified accountant or banker, with experience in the financing of international trade, is required as general manager for the City office of a small group of companies under entrepreneurial control and at present operating from New York and London.

In addition to responsibility for the day-to-day operation of the procurement of supplies and the accounting functions in London, the general manager will be mainly concerned with handling the financing arrangements there and will report directly to the owner of the group, who is based in New York. Only those with substantial international trading experience should apply. The remuneration package will be negotiable from £22,500.

Applicants, male or female, should write in confidence with details of previous experience and current salary, quoting reference DF 1778, to J. W. Hills, at

Annan Impey Morrish,  
Management Consultants,  
40/43 Chancery Lane, London WC2A 1JJ.

**A.I.M.**

## ASSISTANT TO FINANCE CONTROLLER

### SUSSEX COAST c. £9600 plus STAFF MORTGAGE

An opportunity has arisen to join a major financial institution with branches throughout Great Britain. The Alliance, one of the largest building societies in the country, requires an experienced person to assist in the management of the Society's liquid funds in the money market.

The successful applicant will also assist the Finance Controller with the production of a variety of financial reports and data.

Applicants should be numerate, capable of expressing themselves clearly and concisely and must have a thorough knowledge of the money market and particularly the fixed interest market. A knowledge of basic computer programming would be a distinct advantage.

The salary offered will be within the range £9620 to £12785 per annum and will be determined by the extent of relevant experience. It can be significantly supplemented by generous concessionary mortgage facilities and other fringe benefits include free medical insurance, a first class Pension Scheme, and excellent sports and social facilities.

Please write or telephone for an application form to:

M. A. Nicholson,  
Staff Administration Controller,  
Alliance Building Society, Alliance House,  
Heve Park, Hove, Sussex BN3 7AZ.  
Telephone: Brighton 776454 Extn 23

**ALLIANCE BUILDING SOCIETY**

## Bank Recruitment Specialists

**LENDING OFFICER** c. £17,000  
Aged 25-35, for prominent U.S. bank. Several years' international corporate lending experience required. Ideally including U.S. bank training and experience of Securities markets.

**SENIOR CREDIT ANALYST** c. £12,000  
Opportunity for a Credit Analyst with min. 2 yrs' experience (globally including formal U.S. bank training) to join an active, expanding international bank as Asst. Manager level. Age: up to 32.

**LOAN ADMIN./E.C.G.D.** c. £8,000  
Particularly interesting opportunity for an ambitious Loan Administrator (24-35) with syndications and E.C.G.D. experience. Some research and marketing involvement.

**GRADUATE BANKER** £7-£8,000  
Career opportunity, including formal credit training in U.S.A., for ambitious young graduates (23-26) with one or two years' international or clearing bank experience.

For further details, contact Leslie Squires

Anderson, Squires  
Bank Recruitment Specialists  
Regina House, 1-5 Queen Street  
London EC4A 1EP

**EUROBOND DEALER** c. £15-20,000  
Well-presented, ambitious Eurobond Dealer (25-30) sought by security-based international securities house. Significant career prospects and comprehensive fringe benefits.

**INVESTMENT (Middle East)** Negotiable  
Experienced Investment Analyst (25-35) sought to take responsibility for performance measurement of equity and fixed interest funds, with additional treasury management involvement. Gulf location; high financial reward and normal expatriate benefits.

**SPOT DEALER** c. £12,000+  
Seek a top name. Several years' experience required in all major currencies. Age preferred mid-20s; knowledge of a European language advantageous.

**JUNIOR F.X. DEALER** £8-12,000  
U.S. bank seeks a bright young dealer (age 27 max), with upwards of 12 months' F.X. or deposit dealing experience, to augment its established F.X. team.

For further details, contact Ken Anderson

Anderson, Squires

## Redundant - or just looking?

Career progression blocked? Changed domestic circumstances? Impending takeover? Or just feeling that life should be more rewarding? As a career consultant with over 16 years' experience, I can help senior executives (those earning over £12,000) to pinpoint problems in perspective and redefine career and personal objectives.

Together, we can plan a positive course of action to achieve results, and carry out a systematic job search programme using our many valuable contacts. Full resources, back-up, self-promotion and interview training, secretarial/word processing facilities, use of office if required. And any continued personal support and encouragement with regular reviews of progress.

Meets at my convenient location.  
Telephone: Michael Wood now without obligation, on  
Rushbury (0955) 58883 office or 721420 home.

**SPECIALIST MANAGEMENT SERVICES**  
23 High Street, Rushbury, Oxon, OX5 8EG and  
1 Gerrard House, Carrington Street, London W1.

## INSURANCE BKRS. MANAGEMENT CHARTERED ACCOUNTANT

29-37 PREF.

TO £15,000+CAR

This fast expanding International Insurance Group needs a qualified Chartered Accountant to take control of all financial matters for its London based Broking House. Eventual progress to the position of Financial Director is envisaged.

You will be part of a young, flexible management team and actively involved in the development of the company. Lloyd's Broker experience and a knowledge of computers are important. In confidence contact Andrew Moore, ACII, or Tim Weeks, MBIM, MIEC.

MOORE & WEEKS LTD. Tel: 01-481 1584. CORN EXCHANGE BUILDINGS, 52-57 MARK LANE, LONDON EC3R 7QD.

## Project Accounting Manager

circa £13,500

Davy McKee (Minerals & Metals) Limited, based in Stockton, Cleveland, is an engineering company providing a complete project management, engineering, design, supply and construction service to the iron, steel, process, minerals, energy, food and pharmaceutical industries throughout the world.

This is an opportunity to lead a section with a staff of 14 to produce control and financial records relating to all projects.

The successful candidate will be professionally qualified and be within the age range 28-45. Preferably he/she will also have worked as a Project Accountant for a contracting organisation and have gained knowledge of international projects.

The ability to communicate effectively and to motivate others is essential. Much of the contract cost recording is computerised and the Project Accounting Manager will be expected to assist in the further development of computer applications.

Salary will be circa £13,500 and benefits are commensurate with the responsibility of the position. Substantial assistance can be given with relocation to the Stockton area which is pleasantly situated close to the Yorkshire Dales and North Yorkshire Moors. There are good leisure facilities and housing development in the area.

Please write or telephone for an application form to:

**Davy**

David Dove, F.E.R., 1st Floor,  
Rede House, Corporation Road,  
Middlesbrough, Cleveland, TS1 1TN.  
Middlesbrough (0642) 248191. Ext. 275.

**PER**  
Executive Recruitment



## FINANCIAL ADMINISTRATOR

CENTRAL LONDON £14,000 + CAR + PROFIT SHARE

Our client is a furnishing contractor specialising in local and international contracts. The business is new and is expanding rapidly.

A Financial Administrator is required to take responsibility for the finance, accounting, personnel and purchasing functions. The appointee will initially work with consultants in the development of procedures for these functions. The job will entail some travel in the U.K. and abroad.

Applications are invited from persons in the 25-30 age bracket. They should hold a degree or major professional qualification in business administration, commerce, accounting, or company secretarialship. Experience of a contracting or engineering environment is desirable.

This is an exciting opportunity for a young person with drive, initiative and the potential for general management. A salary of around £14,000 (plus a car) is offered and a profit sharing scheme is to be introduced.

Please send a comprehensive career résumé, including salary history, quoting ref. 2043 to G. J. Perkins.

*Touche Ross & Co, Management Consultants*  
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.  
A member of the Management Consultants Association.

## Director of Marketing Cumbernauld

c £20,000

We are seeking for Cumbernauld Development Corporation a senior manager with a proven record in marketing, promotion and administration. This arises from a vacancy in the post of Commercial Director and the new title reflects the increased emphasis which the Corporation is now placing on the promotion of the New Town.

The prime function of the post will be the attraction of new jobs in industrial, commercial and administrative fields to meet the Corporation's growth target and to create a balance of job opportunities in the community.

The successful candidate is likely to be around 40 years' old and may be a Chartered Surveyor. Some knowledge of engineering and manufacturing processes would be an advantage. Although not essential, experience of working in Scotland would be helpful.

The applicant should be prepared to live within or near the designated area of the New Town.

The post will be at Chief Officer level and the individual appointed will be a member of the Corporation's Management team reporting directly to the Chief Executive.

Working conditions are congenial, the salary offered is attractive, a choice of super-annuation schemes is available, life assurance cover is provided, and car assistance is given. Re-location expenses will be covered and help can be given with housing.

Applications are invited from men or women who should write to John Barrie or telephone (24 hour answering service) for a personal history form and further job details, quoting reference PE7.

**The P-E Consulting Group**

140 Hope Street, Glasgow, G2 2TG. Tel: 041 204 1496.

**PE**

## COMPANY SECRETARY

North London

£15,000

This is an unusual opportunity to join a major British company, part of a top-bracket international group, as Company Secretary.

The company manufactures and imports capital goods for sale to the home and export markets and is currently working to a re-organisation and expansion plan that will step up its operations to meet the upturn in the market when it arrives.

This is a new senior position whose occupant will report to the Financial Director. The company considers it has an abundance of financial expertise within its organisation and is therefore primarily concerned to appoint a Company Secretary with considerable experience and expertise in legal matters pertaining to commercial operations. The person appointed will be expected to advise the board and line management and to have the ability to write procedures for personnel and company operations. The ability to communicate in French is a desirable attribute.

The company offers a first-class starting salary together with a full range of executive benefits including a company car. Relocation expenses will be paid where necessary.

Applicants, male or female, should telephone Brian Smith, Director, 01-903 9477 quoting reference M2000. Or write to Aplin Phillimore Associates, Circle House North, 69-71 Wembley Hill Road, Wembley, HA9 8BL.

MOTOR INDUSTRY EXECUTIVE SEARCH AND RECRUITMENT CONSULTANTS

## APLIN PHILLIMORE

## Chief Accountant & Company Secretary

Our client Faber & Faber Limited, wishes to appoint a Chief Accountant and Company Secretary who reports to the Managing Director. There is an accounting staff of 15.

The responsibilities include the provision of management and financial accounts, establishing and monitoring budgets, cash flow forecasting, credit control and advice on the financial implications of Board decisions. There is also company secretarial work including the administration of the pension scheme.

Candidates should be qualified accountants with a minimum of three years industrial or commercial experience. Previous work in publishing is not as important as familiarity with computer systems, being up to date with current accounting practices, and previous involvement in decision making. Experience of supervising staff is also important.

Starting salary is negotiable. A company car and pension scheme are provided. The position is situated in Harlow, Essex.

Please write or telephone for a job specification and application form, quoting reference number 1330 to:

**bf**

Anne Knell, Principal Consultant,  
Bridger Hamlyn Fry & Company,  
Management Consultants,  
2 St. Bride Street, London EC4A 4HR.  
Telephone: 01-353 5171.

## ACCOUNTANTS

NORTH SUSSEX FROM £10K PLUS BENEFITS

We are a British owned, multi-national group, a highly successful manufacturer serving the electronics industry. Due to internal promotion two important head office appointments have arisen for suitably qualified men or women; both report to the Group Financial Controller.

### Project Accountant

This requires a mobile person able to undertake specific project investigations at our various U.K. locations, and assist with the half-yearly Group consolidation. Additionally he/she will act as Management Accountant for at least one of the Group's new business ventures. Candidates should be ACMA, aged around 30.

### Head Office Accountant

To prepare management and financial accounts; supervise a small accounting team and assist with treasury functions. Candidates should be in their 30's, and either full or part qualified.

Please write, with brief career details, to Michael Mealing, Group Personnel Manager, Bouthorpe Holdings PLC, Gatwick Road, Crawley, Sussex. Tel: Crawley (0293) 28888.

**h**

**Eurobonds** c £20,000  
Two leading U.S. bond dealing operations are urgently seeking an experienced secondary market trader in straight and FRNS. ALSO EUROBOND SALES EXECUTIVE with proven track record.

**Commercial Banking Manager**  
A well established and profitable LDTI in the City are seeking an experienced banker with a strong trade finance bias to head up a busy documentary credit and commercial loans department.

**Lending Officer**  
A large International Finance Company with a banking presence in the City requires a senior lending officer with specific knowledge of trade finance with the Middle East also of international syndicated lending.

**Internal Auditor**  
A prime international financial organisation require an experienced auditor for their City office. A minimum of 5 years in bank audit and the ability to assume managerial responsibilities are essential.

**Junior Marketing Officer**  
An ideal step into marketing is offered in a prime bank based in the City. A background in loans or credit and a positive approach is essential.

TALK TO SHEILA JONES

**OLD BROAD STREET BUREAU LIMITED**  
STAFF CONSULTANTS  
01-588 3991

## MANAGING DIRECTOR ENGINEERING/FABRICATION

£18,000 and car

We are an expanding private group and an associate of a large international group with plans for substantial investment in British manufacturing sector.

This appointment is to provide leadership to a team of professional directors and to undertake a programme of expansion and diversion. Initially the appointment will be for one company with emphasis in production and commercial management.

Candidates, around 45, should currently hold a profit accountable general management appointment. Experience in production management and handling engineering contracts is desirable.

Besides negotiable salary and car, the company shall pay relocation expenses and profit-related bonus.

Please send relevant details—in confidence—with evening phone number to:

Box A.7712, Financial Times, 10 Cannon Street, EC4P 4BY.

**Position:** Retired Banker (a challenging position).

**Qualifications:** (i) A.I.B. (ii) Must have held a responsible position with a reputable commercial bank. (iii) Two references, one of whom must be the last employers.

**Age:** 45 to 60 years.

**Salary:** Negotiable.

**Fringe Benefits:** Attractive.

**Replies:** Replies should be addressed to our Chief executive and marked Private & Confidential.

Write Box A7708, Financial Times  
10 Cannon Street, EC4P 4BY

## ACCOUNTANT/DIRECTOR FOR LLOYDS BROKER

SALARY £18,000 + CAR (NEG)

A City-based Insurance Broker is seeking a Qualified Accountant (30-40) with Lloyds' Broking experience to take charge of the accounting function. The person sought will be a good administrator with the ability to both devise and implement strict budgetary controls.

The successful applicant will be expected to make a major contribution to the company's future expansion.

Telephone G. J. CLARK ON

01-422 8218 in strict confidence.



## Accounting systems manager

London c£16,000



At the European head office of one of the world's leading construction companies with significant operations in the energy industry. A record level of new contracts have been written in the last twelve months.

You will manage the installation of advanced computer systems to handle the accounting for a region generating 40% of group turnover. The project involves the replacement of an entire accounting system using an IBM 3033 with a budget of sixty man years. Liaising closely with headquarters in the US and with users throughout the region, you will lead a specialist team and report to the senior finance man in Europe. This is a three year project which will provide excellent opportunities for advancement.

Aged around 30, male or female, you should be a qualified accountant with two or three years' computer systems experience, probably gained in consultancy or professional practice, and must have played a leading part in an installation project.

Resumes including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B010.

**Coopers & Lybrand associates**

Coopers & Lybrand Associates Limited  
management consultants

Shelley House, Noble Street  
London EC2V 7DQ

## HEAD OF TRAINING

CITY

MAJOR INTERNATIONAL BANK

c.£18,000

Our Client is a substantial and expanding international bank employing approximately 700 personnel in the UK.

Promotion has created the need for a senior training officer to take control of the existing training department in London which consists of a small and close knit team. Principal responsibilities will be for the creation and administration of training courses and projects together with the co-ordination of graduate recruitment and human resource development.

Candidates, probably in their early 30's with a degree and/or a professional qualification, will be training professionals with flair, imagination and well-developed interpersonal skills incorporating the ability to communicate and motivate at all levels.

This represents a genuine career opportunity with a financial institution of substance offering scope for personal development and a competitive salary and fringe benefits in the best banking tradition.

Contact Norman Philpot MIPM or Peter Woolnough BA  
in confidence on 01-248 3812

**NPA Recruitment Services Ltd**

600 Cheapside, London EC2. Telephone 01-248 3812 3 4 5

## African Lending

c£15,000 + banking benefits

A leading merchant bank in the City is seeking an experienced banker of high calibre to help establish an African lending desk, handling a portfolio of sovereign and corporate loans. This will involve extensive travel.

Candidates should be aged 25-35 and conversant with all aspects of lending to Africa particularly business development, credit analysis, loan administration, documentation and syndication.

Fluency in French is essential as is the ability to analyse independently and objectively complex risks, and to develop imaginative and innovative solutions.

Please contact Philippa Rose

**Philippa Rose & Partners Limited**

18 Eldon Street  
London EC2M 7LA

Telephone:  
01-588 5188



## LOOKING FOR THE RIGHT JOB?

WE CAN HELP YOU.

CONTACT THE PROFESSIONALS IN CAREER COUNSELLING.

Telephone for a free, confidential appointment with a consultant, or send us your cv.



London: 01-580 7861 35-37 Fitzroy St. W1  
Manchester: 061-228 0089 Sunley Building,  
Piccadilly Plaza.

## PROJECT/CORPORATE FINANCE OFFICERS

An expanding international bank requires young project/corporate finance officers for its merchant banking arm which is located in the City. MBAs or holders of Masters degrees in Commerce/Finance/Economics with a minimum of two years' experience in project appraisal, credit/investment analysis or any area of corporate finance may apply. Innovative individuals with a capacity for sustained hard work are required to form part of a young and effective team. The flexibility to work with people of diverse nationalities is essential. A working knowledge of languages other than English would be an advantage. An attractive salary will be offered with excellent prospects for career growth within the institution.

Applications with curriculum vitae and one passport-size photograph may please be addressed to  
Box A.7717, Financial Times, 10 Cannon Street, EC4P 4BY

## COMPANY ACCOUNTANT

Small expanding company, operating as specialists in construction industry, requires an accountant.

To be responsible for simple financial accounts up to year-end accounts, foreign exchange, monthly management reports to the board (budgets, cash-flows, capital investment appraisals, working capital controls).

Salary according to age and experience plus excellent annual bonus. Excellent prospects as company grows.

Apply in writing to Mr. D. I. Price,  
SOIL STRUCTURES INTERNATIONAL LTD.,  
58 Highgate High Street, Highgate, London N4.

## Internal Audit

An international bank in the City is seeking an experienced internal auditor to strengthen an established team.

The ideal candidate, probably in the 25-30 age range, will have achieved good G.C.E. 'O' level (if not 'A' level) results, to which an A.L.B. or M.B.A. will have been added. He or she will also have had about 10 years exposure to international banking, the first half spanning a variety of operations and the latter 5 years concentrated on internal auditing within a computerised environment.

A five figure salary is envisaged if the above criteria are met. Other benefits are competitive for the banking sector, including profit-sharing.

Applications will be treated in strict confidence. Please write initially detailing age, qualifications, experience and present salary to Mr. E. Cotter.



**Golley Slater and Partners Limited**  
42 Drury Lane, London WC2B 5RN.

**Guy Butler (International) Ltd.**  
International Money Brokers

Due to expansion and the formation of a new section require

## Currency Deposit Brokers

with at least one year's experience of the fixed or short date currencies in the international deposit markets. Good salaries and the usual City benefits will be offered to successful applicants.

Please write giving full details of experience to date to:

Miss Maureen Ormerod  
Adelaide House, London Bridge  
London EC4R 9HN

**BUTLERS**

Guy Butler (International) Ltd.  
A member of the Sims Darby Group

## APPOINTMENTS

ADVERTISING

RATE: £29.00

per single column

continence

## Financial Controller

c£25,000 + benefits

A company urgently require a qualified ACA aged 32-40 with considerable financial experience. The experience must have included credit control, and a good computer systems experience (hopefully of forex or money-market transactions).

In addition to the above the applicant should be articulate and have a lively disposition. The position affords the opportunity of a boardroom appointment.

Contact: Brian Gooch

**JONATHAN WREN & CO. LIMITED**

(Recruitment Consultancy)

170 Bishopsgate, London, EC2

Tel: 01-623 1266



## THE ROYAL BANK OF CANADA

requires an experienced

## CORPORATE SERVICES DEALER

in their expanding International Money Markets operation in Bishopsgate

The ideal candidate will have traded both foreign exchange and deposits and have a good working knowledge of the domestic sterling market. A competitive salary will be offered, together with an excellent employee benefits programme.

Write giving details of age, background and experience to:

M. C. P. Beales, Manager, International Money Markets  
THE ROYAL BANK OF CANADA  
99 Bishopsgate, London EC2M 3XQ

## LONDON-BASED SMALL INTERNATIONAL

TRADING COMPANY

requires a well qualified, capable accountant able to work with minimum supervision to undertake the position of group internal Auditor/Management Accountant. Experience in multi currency consolidations would be an advantage. Excellent salary, W.P.A. insurance, pension scheme, etc.

## MANAGEMENT ACCOUNTANT

required for UK operating company, part of the above group based in South West London. The ideal candidate will be a young, ambitious accountant with some knowledge of computer accounting - able to work with minimum supervision, preparing and analysing monthly management accounts. Excellent salary, W.P.A. insurance, pension scheme, etc.

For both these positions please write to:  
Box A7718, Financial Times  
10 Cannon Street, EC4P 4BY

## A CALL TO SCHOOL LEAVERS OF 1982

Have you thought of becoming a News Journalist?

Would you be good at writing out news and reports? Interviewing people about the business of life and serious public issues? If so, you should consider joining the News-Journalists' Training Scheme. This is a one-year course, followed by a two-year apprenticeship. It is a highly competitive scheme, and only a few places are available. You will be able to work for the News-Journalists' Training Scheme, which is a highly competitive scheme, and only a few places are available. You will be able to work for the News-Journalists' Training Scheme, which is a highly competitive scheme, and only a few places are available.

## CHARTERED ACCOUNTANT

There is a vacancy for a recently qualified Chartered Accountant, preferably with some experience in the City, to assist the senior partner in the management of the firm's affairs. The successful candidate will be required to undertake a variety of duties, including the preparation of management accounts, and the supervision of the firm's staff. The salary is negotiable, and the position offers excellent prospects for career advancement.

Write Box A7718, Financial Times  
10 Cannon Street, EC4P 4BY

## UNIT TRUST ADMINISTRATION

FIDELITY INTERNATIONAL MANAGEMENT LIMITED - the rapidly expanding U.K. Unit Trust arm of the world's largest investment fund group, which manages over £6,000,000,000 worldwide - has two vacancies within its Finance and Administration area.

## Senior Unit Trust Administrator/Accountant

The position is for an experienced administrator to join the existing team. It is essential that the individual has proven ability in unit trust services and a sound understanding of accounting controls.

A knowledge of computers will be helpful, as a gradual programme of computerisation is being undertaken.

The likely candidate will be in the age range 25-35.

## Accounts Assistant

This position requires a person with at least 2 2/3 years experience in cashing and general ledger reconciliations. Responsibility will be for a manual bought ledger and settlement system.

This is an excellent opportunity to join the Company in its early years. Competitive salaries are offered together with bonus and other fringe benefits. Those applying should note that the Company Accounting and Administration Departments are relocating to Tonbridge, Kent within the next 9 months.

Please send a detailed C.V. in strictest confidence to:  
A.J. Watson, Director, Finance & Administration  
Fidelity International Management Limited  
20 Abchurch Lane, London EC4N 7AL

**Fidelity International**

## INTERNATIONAL TROUBLESHOOTERS

Central London

neg. to £13,500

Our client, a fast growing British company involved in advanced information technology with annual turnover in excess of £120m requires two exceptional, young qualified ACA/CA/ACCA's aged 24-32.

The positions will involve around 50% travel throughout EUROPE, LATIN AMERICA, HONG KONG, SINGAPORE and the MIDDLE EAST. A second European language would therefore be a distinct advantage.

Candidates with high potential will be interviewed shortly.

Please contact GEORGE D. MAXWELL.

**Hudson Shribman International Ltd**

23 College Hill, London EC4

Tel. 01-248 7851

## CHARTERED SECRETARY

Salary up to £15,000 per annum plus car and other benefits

S. & W. Berisford Limited, a major public company situated in the City of London, is the holding company for a highly successful international group of companies principally involved in commodity merchandising, processing and distribution.

In addition to the usual company secretarial functions associated with a U.K. listed company, the Company Secretariat provides a varied range of legal, property and administrative services.

An experienced Chartered Secretary is now required to assist the Company Secretary in this role. Applicants must be able to demonstrate success in a similar capacity and while age is not a limiting factor, it is unlikely that anyone under the age of 30 will have had sufficient experience for this important position.

Applications should be sent to:

The Secretary

S. & W. BERISFORD LIMITED

Berisford House

50 Mark Lane

London, EC3R 7QJ

## Professionals Only

We are the Company with the Product with the Know-how with the Success If you are the Person

with international sales experience, with the motivation to make real money, with the ability to speak English fluently plus one other language: French, German, Spanish, Arabic or Chinese.

You can become an Area Manager

of a leading Sales Company in the field of finance and real estate with openings world wide.

Please send your cv with photo to:

Propinvest

84 Rue du Rhône

Geneva 1204

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## MIKE POPE & ASSOCIATES

Bank Recruitment Consultants

Credit Manager (18h)

£25,000

£25,000

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# International Appointments

INTERNATIONAL APPOINTMENTS  
ARE CONTINUED ON THE  
FOLLOWING PAGE

## INVESTMENT BANKER

Britain with financial qualifications and wide experience of securities investment and corporate finance, currently working for Middle East investment houses seeks change. Willing to be based in U.K. or Middle East. Ideally with European or U.S. investment bank or corporate finance background. Full c.v. supplied to genuine, potentially competitive enquiries. All letters will be acknowledged and treated in the strictest confidence.

Please reply to Box A.7714  
Financial Times  
10 Cannon Street, EC4A 3DF

## INTERNATIONAL APPOINTMENTS

APPEAR EVERY  
THURSDAY

Rate £29.00  
Per Single Column  
Centimetre

## Deputy Finance Director Hong Kong

c. £30,000 + 25%

(income tax 15%)

Construction costs in excess of £1bn have already been incurred in building the Mass Transit Railway, and the third stage of development will make it one of the largest and most active enterprises in South-East Asia. The finance division is responsible for the financial planning and project cost control of the expansion programmes, as well as the mainstream financial management and statutory accounting of the MTR Corporation, which is also involved in major property developments on a joint venture basis. To fulfil the wide-ranging role of Deputy Finance Director, a well-qualified accountant at least in the late 30s is required, who has reached senior management rank in a substantial commercial company, using sophisticated computer-based

planning and control systems. Experience of working outside Europe would be valuable. Hong Kong is a most attractive overseas location, and the remuneration will attract those currently earning £20,000 or more in UK terms. A 25% gratuity is provided, and the excellent expatriate benefits will include family accommodation, education allowances and annual paid home leave. Write for an application form or send brief CV to the address below, quoting ref. AA26/7866/FT on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

A large international group, supported by a major European Merchant Bank with substantial interests in West Africa wishes to appoint a:-

## Financial Controller

This is an exciting new appointment for my clients highly profitable ship repairing subsidiary in Lagos and brought about by the rapid growth of this large group within Nigeria. It presents an unusual career opportunity for an ambitious and thoroughly professional accountant, who must have promotion potential. French though not essential would be advantageous.

A financial qualification is required as he will have full responsibility for the company's financial management as well as for the build up of a sound financial team.

The remuneration package is generous - not less than £25,000 net after tax. This includes free married accommodation, car and driver, medical, pension and insurance schemes with excellent leave arrangements.

Age 30-45 Salary £25,000 + Lagos (Apapa) Our client wishes to make an early appointment. Applicants should therefore contact me as soon as possible quoting R.A.

Robin R Whalley

INTERNATIONAL APPOINTMENTS (LONDON) LTD

(Executive Recruitment Consultants) Greater House, 66-68 Haymarket, London, SW1Y 4RP. Telephone: 01-839 1602/4 & 01-839 2831 Cable: Interapp, SW1 Telex: 912881 alt. Interapp

## Trading Opportunity

Switzerland

to S.Fr. 50,000

DRUMMOND SA

DRUMMOND SA is the principal European Subsidiary of a Major U.S. Coal Exporter.

They now seek to appoint a Junior Trader who will report to the Senior Management team.

- Initial responsibilities will include:
  - \* Execution and documentation of sales and trading contracts.
  - \* Preparation of inland shipping, transportation and financial documents.
  - \* Foreign exchange transactions.
  - \* Assistance in negotiations at a local level with finance houses.
  - \* Some customer liaison.

Applicants, seeking a responsible position with development potential, will ideally be aged in their late 20's to early 30's and have sound commercial experience gained within a trading environment.

Fluency in French is essential and a knowledge of Spanish and German would be an advantage.

To apply please write attaching a full resume, indicating current salary level and quoting reference 5565 to M.J.R. Chapman.



Lloyd Chapman  
International

125, New Bond Street, London W1Y 0HR 01-499 7761

## VACANCY EXISTS

FOR A

## SENIOR TRUST OFFICER

IN THE CAYMAN ISLANDS

Candidates should have several years relevant experience at Trust Officer level and hold the Trustee Diploma of the Institute of Bankers or equivalent professional qualification. Duties will include - administration of managed companies.

An attractive compensatory package will be offered to the successful applicant.

Applications in complete confidence, marked Confidential, should be addressed to:

The Managing Director  
Washington International  
Bank and Trust Ltd.  
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## RESERVE BANK OF AUSTRALIA ASSISTANT GENERAL MANAGER

NOTE PRINTING BRANCH

MELBOURNE, VICTORIA

The Reserve Bank of Australia, which is currently commissioning a new bank note printing works in Melbourne, Victoria, invites indications of interest from persons suitably qualified and experienced in large-scale printing operations for appointment as an Assistant General Manager. Qualifications/experience in high security printing will be of particular interest. The occupant of this position will come under consideration for possible future appointment as General Manager for which there is likely to be a vacancy in late 1982.

The new Branch has a staff complement of about 600 and is equipped with current design multicolour offset and intaglio presses. Its work comprises high security printing of which the most important element is the production of Australia's legal tender requirements in currency notes.

The post offers either permanency of appointment, subject to a maximum retiring age of 65 years, or a term of four years, renewable by mutual agreement.

For a permanent appointee, initial salary in the vicinity of \$A35,000 pa, with accompanying senior executive benefits, is envisaged. A comparable salary package would be negotiated for a term appointee.

Interested persons with the requisite qualifications/experience are invited to write personally no later than 15 February, 1982 in the first instance to:

The Chief Manager  
Personnel Department  
Reserve Bank of Australia  
Box 3947, G.P.O.,  
SYDNEY, N.S.W. 2001  
AUSTRALIA.

All confidences will be respected.

## Financial Consultant

Riyadh, Saudi Arabia  
to US \$45,000

A Saudi Arabian Government agency specialising in financing private sector projects within the Kingdom, seeks a highly motivated, mature accountant to provide assistance to clients in improving management information systems. Principal responsibilities will be to consult with clients in the design and implementation of integrated management information, accounting and control systems for manufacturing operations, to investigate financial performance of projects and to train and develop staff.

Candidates should have a CA or CPA qualification, two to five years' post-qualification experience in auditing and financial consulting, primarily in manufacturing businesses and superior communication skills. Fluency in spoken and written English is essential. Fluency in Arabic would be a distinct advantage. As this position will require considerable travel within the Kingdom, preference will be given to applicants who are single. However any married candidate appointed will be offered a married status contract.

In addition to salary paid free of tax in Saudi Arabia, an excellent benefits package is offered including free housing and medical care, leased car, generous leave provisions and good recreation facilities.

Interviews will be held in Europe in February.

Please telephone (01-629 1844 at any time) or write - in confidence - for a personal history form. B. G. Woodrow ref. B.1001.

MSL middle east

Management Selection Limited  
International Management Consultants  
17 Stratton Street London W1X 6DB England

## Lending Officers

Major Italian Bank

A leading privately-owned Italian Bank is seeking experienced Account Officers for the Corporate Lending Dept. in its Milan headquarters.

Candidates must demonstrate strong analytical and marketing skills and should have at least three years banking experience. Fluency in English and Italian is essential.

These positions offer excellent prospects for

career development, both in Italy and, in the longer term, internationally. Competitive salaries will be augmented by an attractive package of fringe benefits.

Please send full personal, career and salary details to Confidential Reply Service, Austin Knight Limited, London W1A 1DS, quoting ref. ASL 8319.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

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## PETROLEUM FINANCE

Pacific Basin

Major Hong Kong Banking Group seeks a Petroleum Finance Executive to develop its technical capacity to service the growing oil production and refining industry throughout the Pacific Basin.

Candidates should be graduates in Geology or Petroleum Production with broad practical experience of onshore/offshore projects, and practice in financial project analysis within the oil industry or a finance house.

This career opportunity offers a high reward package including base salary, substantial profit share, housing and outstanding overseas benefits. (TVN/239)

Candidates should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W1, quoting reference. No identities divulged without permission.

## INVESTMENT MANAGER

A prominent financial institution in Kenya wishes to appoint an Investment Manager to run the assets of its Pension Fund. Applicants should preferably be Kenyan citizens and have both a relevant degree together with a professional qualification, e.g. Associateship of the Institute of Investment Analysts or of the Pension Management Institute. Candidates should also have knowledge of both marketable securities and more direct investment, e.g. property.

An attractive salary plus fringe benefits will be offered to the right candidate.

Replies with full C.V. should be sent to Box A7713  
Financial Times, 10 Cannon Street, EC4A 3DF

## Regional Financial Controller

US \$45,000 + substantial  
allowances & benefits

Lagos, Nigeria

Permanent staff status

The international division of a leading US pharmaceutical company requires an accountant to join its expatriate staff, based initially in Nigeria. Products are manufactured and sold in Nigeria and elsewhere in West Africa, producing revenues of over \$30m. The company is expanding both internally and into new markets.

The task is to be an active member of the local management team, taking full responsibility for all financial and accounting matters. The total scope of the position is far broader than this function, demanding a contribution in all areas. Candidates must be qualified accountants, over 30, with experience of working overseas. Knowledge of the pharmaceutical industry and familiarity with company secretarial procedures would be advantageous.

The benefits package is excellent, more than matching that offered by the majority of multinationals.

Please reply in confidence giving concise career and personal details and quoting Ref. ER524/FT to P.J. Williamson, Executive Selection.



Arthur Young Management Services  
Rolls House, 7 Rolls Buildings  
Fetter Lane, London EC4A 3NH.

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## SENIOR PORTFOLIO MANAGER

GENEVA

Our International Trust and Investment Division, established in 1972 and operating in seven locations worldwide, requires a Senior Portfolio Manager for its Geneva office, Boston Investment and Financial Services SA.

The position will entail the management of equity and fixed income portfolios for private clients. Applicants should have at least five years' experience in international portfolio management, a thorough knowledge of the major equity and bond markets, a proven record of success and a valid Swiss work permit plus fluency in English.

Salary will be commensurate with the responsibilities of the position and experience of the individual.

Applications should be in writing to:

Ian Eaglestone,  
Vice President, Personnel,  
The First National  
Bank of Boston,  
5 Cheapside,  
London EC2P 2DE.





# International Appointments

## Managing Director

### Hong Kong

Our client, Modern Terminals Limited, operates one of the world's most advanced container terminals offering a seven-day 24-hour service with on-line computer systems support. Employing 1,250 staff, the company handles over 550,000 containers per year for more than 30 shipping lines. The present Managing Director retires in June 1982. Day-to-day operating of the container terminal is highly profitable and ably controlled by the existing management team. The Managing Director's main contribution will be, therefore, to develop and expand the business further - a role which will require vision, pragmatism and leadership of a high order. He will travel extensively and negotiate at an international level. He will report to the Chairman and have full authority for implementing agreed policies. Candidates should possess a sound knowledge of in-port cargo handling or be

### Container Terminal

able to demonstrate a proven track record of managerial achievement in a high pressure related working environment involving transport and distribution. Engineering, marketing and financial experience would be advantageous and previous exposure to a multi-cultural environment is sought. The appointee (age about 40) must be able to take up the post, at latest, by May 1982. The rewards are significant and conditions of service include a house, car, six weeks annual leave, first class travel for the family, education allowances and other fringe benefits. The maximum salary tax in Hong Kong, is currently 15%. PA offers you complete security and initial interviews will be conducted early in February 1982. Applications, giving the fullest possible information plus a copy of a recent photograph, should be forwarded, quoting Ref. HK1616/KF to:

### PA Management Consultants Ltd.,

12th Floor, Shell House, 24 Queen's Road, Central, Hong Kong



A member of PA International

## Financial Controller

### France

c. FF 190,000

Our client is a major international contracting and construction company who are leading specialists in the offshore oil and gas industries.

This is a new position reporting to the Director in charge of a fast-growing Division offering specialist world-wide installation, contracting and operational services. The Financial Controller will take full management responsibility for the Division's development of financial control, management information systems, contractual credit control and play a leading role in the Division's growth plans.

Candidates aged probably 30-40 will be qualified accountants and ideally have sound international financial management experience gained within a contracting or engineering environment. Proficiency in French is not essential.

Candidates should apply in confidence with full personal details quoting reference number 2015/FT to:



Management Consultants - Executive Search

### Corporate Resourcing Group

London Business Centre, 77-79 Wells Street, London W1P 3RE  
Telephone: 01-580 5522

## Financial Controllers

Saudi Arabia : Around £26,000

Our client is a highly prestigious and diversified group with substantial industrial and commercial activities in the Kingdom.

There are two appointments. The first will be responsible for all financial and accounting functions of a medium term construction project with strong possibilities of long term employment within the group.

The second is an assistant controller for a fully integrated commercial subsidiary and will be responsible for cost control, budgeting, cash flow, monthly reporting etc.

Candidates who should be qualified accountants or business graduates must have a demonstrably successful record at senior level in a demanding and highly versatile business environment. Previous Middle East experience is desirable.

There is a negotiable tax free salary and benefits include free housing, transportation, medical and paid airfare etc.

Please write - in confidence - or telephone (01-730 0255) to G. E. Yazigi ref. B.1111-33.

### MSL middle east

Management Selection Limited

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52 Grosvenor Gardens London SW1W 0AW



## CHIEF ACCOUNTANT

LUSAKA - ZAMBIA c. £17,000 + House and other benefits

This is an excellent opportunity for a capable and resourceful qualified accountant to gain broad commercial experience and responsibility overseas. Our client is a subsidiary of a major multi-national group involved in the importation and distribution of motor vehicles and equipment. Reporting to the General Manager, the Chief Accountant will be completely responsible for the accounting function. There will be considerable involvement in transferring systems from a bureau to an in-house on-line system, financing and exchange control. An initial two-year contract includes an attractive package with terminal bonus and substantial remittance facilities. House and car are provided free. Six weeks' annual leave with fare paid to the U.K.

Applications to R. J. Welsh,

Reginald Welsh & Partners Limited.

Accountancy & Executive Recruitment Consultants  
123/4 Newgate Street, London EC1A 7AA Tel: 01-600 8357

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A Sri Lanka national is required to head the finance function of the company and be a part of the new dynamic top management team.

Applicants should be qualified Chartered Accountants with experience of independently managing the finance functions of a large establishment and should be around 40 years of age. He should be able to control the company's finances, effectively liaise with our bankers, implement new systems and motivate a large number of personnel. This is a senior position in the company, reporting directly to the Chief Executive.

Salary and fringe benefits will be very attractive and will include a company car.

Applications will be treated in strict confidence and should be sent with full career and personal details (including telephone number) to:

Box A7705, Financial Times  
10 Cannon Street, EC4P 4BY

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mentioning Ref: 1384

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Financial Times, 10, Cannon Street, EC4P 4BY

## APPOINTMENTS

## Finance director for Whitbreads

Mr Lionel Ross is to join the board of WHITBREAD AND COMPANY, as finance director on April 1 when Mr Andrew McQuillan retires. Mr Ross joins Whitbread from Allied Suppliers (Holdings) formerly Cavenham, where he has been finance director since 1968.

Mr Eric Meldrum has been appointed chairman of BARTON CONDUITS, Walsall, and Mr John Moore has been appointed chairman of both Barton Abrasives, Wolverhampton, and Barton Aluminium Foundries, Birmingham. Both Mr Meldrum and Mr Moore are directors of Barton Group, and their appointments follow the retirement of Mr Graham Sheldon from the group board.

Mr Laurence Kelly has been appointed a part-time member of the MONITORING AND MERGERS COMMISSION. Professor K. D. George has been re-appointed for a further three-year period from January 15. Mr Kelly is deputy chairman of Helical Bar. Professor George has been Professor of Economics at University College Cardiff since 1973.

Mr Michael H. Marx has been appointed financial director of HERON CORPORATION. He was formerly a partner in H. W. Fisher and Co., one of the company's joint auditors. Mr Alan J. Goldman who has been financial director since 1974, will be assuming wider responsibilities and remains a director of Heron Corporation and financial director of Heron International, the Group's holding company.

Mr C. W. Sparrow has retired from the board of DANISH BACON CO. and Mr D. K. Hughes has joined the board.

Mr David J. Wood has been appointed to the board of J. ROTHCHILD & CO.

Mr W. Ford has been appointed a director of BROWN & TAWSE. Mr E. Hartley has been appointed a director of Brown and Tawse Tubes.

Mr K. E. Cunningham has resigned as a director and secretary of OIL AND ASSOCIATED INVESTMENT TRUST.

Mr V. C. Robertson has been appointed a member of the board of COMMONWEALTH DEVELOPMENT CORPORATION, for three years, from January 1. He was managing director of Hunting Technical Services until 1977.

Mr J. H. Wilson has been appointed finance director of TRAVIS & ARNOLD. He succeeds Mr R. F. Garnett who is retiring.

Mr T. W. Stafford who joined the Society as a junior office boy in 1927, has been appointed chairman of SUNDELAND AND SEELDS BUILDING SOCIETY. He succeeds Mr A. G. McEldan who will continue to serve on the board.

Mr John Eaton has been appointed director of business development by DYNAROD.

HILTON ADVERTISING (MIDLANDS) has promoted Mr Barry Arnold, formerly executive director, to managing director.

Mr K. A. Carter has been appointed chairman of SEDGWICK AVIATION in succession to Mr A. Parry who has retired. Mr Carter will continue as chairman of Sedgwick Cargo. Mr J. H. Shapiro has been appointed a director of Sedgwick Marine.

Mr S. Hanratty has been appointed managing director of SCANGLO INTERNATIONAL, a member of the Myson Group. Mr J. Conellan has been appointed works manager.

Mr Keith G. Hancock has been appointed managing director of GEORGE COHEN MACHINERY part of The 600 Group. He will be resigning as managing director of Sambron, which he founded in 1971 as the UK subsidiary of Sambron, France.

BRITISH CALEDONIAN HELICOPTERS has appointed Captain Robert M. MacLeod to the new post of managing director. He joins from BP Exploration and Production where he is services operations manager, based at Dyce Airport, Aberdeen. He will continue to work at Dyce Airport.

Mr Geoffrey W. Cross has been appointed financial director of LONDON AND LIVERPOOL TRUST. He was formerly a partner in the Birmingham office of Robson Rhodes, chartered accountants.

Mr P. J. van de Pol has been appointed managing director of LLOYD AND MERCANTILE CREDIT INSURANCE and a director of Jardine, Clavell (UK) following the retirement of Mr J. W. Vickers. Mr Michael Gerrish remains chairman of Industrial and Mercantile Credit Insurance. Mr R. L. Allen has been appointed chairman of Industrial and Mercantile Credit Management and Mr J. S. O'Brien has been appointed managing director.

Mr Alan Morgan has been promoted to vice president, FIDELITY BANK. He is manager of the bank's London money market center. Appointed operations officer were Mr David London and Ms Susan Pocock. They serve as documentary credits loan administration supervisors.

Mr A. G. L. Alexander has been elected chairman of BEREC GROUP following his appointment to the board. Mr D. J. Snowden also became a director. Mr C. G. Stapleton remains managing director of the company.

Mr James Stevenson, of Balfour Beatty, is to be the next vice chairman of the FEDERATION OF CIVIL ENGINEERING CONTRACTORS. He will take office on May 11 when Mr Philip Beck, of Mowlem, becomes chairman.

Three directors have been appointed to the board of URWICK & PARTNERS (UK). Mr W. G. White becomes director of operations in Scotland; Mr R. C. Gilbert, responsible for liaison with financial institutions in the City; and Mr H. Duncanson, engineering organisations in Southern England.

Mr Thomas M. Sands has been appointed managing director, ELIZABETH ARDEN, UK. He will replace Mr Pierre de Champfleury, who is leaving Elizabeth Arden to pursue his career outside the cosmetics industry.

Two assistant general managers have been appointed at the UNITED BANK OF KUWAIT. They are Mr Andrew Ripley, formerly a senior financial consultant with the Stanford Research Institute, and Mr Ralph Milbert from Larpent, Newton & Co, development finance company, Cardiff since 1973.

Mr Gareth Jones has joined REDLAND as group treasurer. He was with Conoco as treasurer.

Mr J. W. Fraser, Mr M. T. Coulton and Mr T. R. Bruce have been appointed directors of LESLIE LANGTON HOLDINGS. Mr A. R. Clare, Mr R. W. Clifford and Mr R. H. Pearson have been appointed directors of Langton Underwriting Agents.

Mr Stephen Brandon and Mr Michael Miles have been elected principals in the London office of MCKINSEY & CO.

Mr Bruce Alvis, who joined the LONDON TOBACCO COMPANY as production manager when it was set up 16 months ago, has been appointed to the main board.

SCIENTIFIC AMERICAN has appointed Mr Roy Edwards as UK sales director.

Mr A. Cheetham, group managing director of Stothert and Pitt, has been elected president of the FEDERATION OF MANUFACTURERS OF CONSTRUCTION EQUIPMENT AND CRANES. Mr K. J. Parker, chairman, Frederick Parkes Group, was appointed deputy president and Mr V. Canham, home sales director, Copas Cranes, was appointed vice president.

Mr Terry Wright has been elected to the board of VERMONT RESEARCH Laboratories as technical director.

NORTH AMERICAN REALTY & INVESTMENT CORPORATION has appointed Mr Mervyn Lux as managing director and Mr Alan M. Sloan as financial director. The company acts as sole agent in the UK for Texas real estate developers Spring Creek Investments of Dallas Inc.

The engineering division of DAN-AIR SERVICES, part of the Davies and Newman group, has reorganised its senior management under Mr E. T. Evans, managing director. Mr Ron Smith becomes deputy managing director (presiding engineering director); Mr Len Crookford (technical director, group technical manager); Mr Guy Ruffie (production director, engineering manager, Manchester); and Mr Michael Ellis (commercial director, commercial manager).

BRITISH FERMENTATION PRODUCTS has appointed Mr John Rawstons to the board. The company is the UK operating subsidiary of Gist Brocades, Delft, Holland.

Mr Steve Bonds has been appointed managing director of WILLIAM MORRIS AGENCY (UK).

Mr Richard A. Bailey, previously managing director of Lily Industries and UK vice president of LILLY INTERNATIONAL CORPORATION, has been appointed vice president for Europe, with responsibility for Benelux, France, Germany, Italy and for the European office in London. He will remain a member of the board of Lily Industries Limited. The new managing director is Mr Gary J. Clark, who relinquishes his position as director of international business planning, Lily International Corporation. Mr William E. White has been promoted to vice president, based in London, and will be responsible for those areas of Europe, the Middle East, Africa which are managed by Lily's offices in Rome, Copenhagen and Vienna.

Mr M. W. Bradenford-Johnston has been appointed chairman and Mr A. A. Gomes Da Silva, managing director of the new separate division of JARDINE CLAVELL. Mr Bradenford-Johnston has been appointed to the board of Jardine Clavell.

Mr D. C. Linton and Mr M. F. Hicks will be joining the partnership of FRANK H. STATHAM AND SON, stockbrokers, on January 11.

AI CHANDLER HAGREAVES WHITALL AND COMPANY Mr Michael Beck and Mr Frederick Marsh join the board. Mr Nicholas Talbot-Smith and Mr Peter Trend become departmental directors, and from January 1, 1982 Mr Richard Arthur, Mr Ronald Breece and Mr Kevin Duncanson become assistant directors.

Three divisional managing directors, Mr C. G. Burton, Mr P. S. Candy and Mr J. Pasfield, together with Mr H. Mercer and Mr N. J. Smith have been appointed to the board of CLIFFORD'S DAIRIES.

## ROYWEST TRUST CORPORATION LIMITED

## PORTFOLIO MANAGEMENT — BAHAMAS

The RoyWest Trust Group requires a Portfolio Manager for its Investment Department in Nassau. After a period of orientation, the candidate will become responsible for the management of individual trust and discretionary portfolios.

Probably a graduate in economics or business finance, the candidate will have at least five years' experience in portfolio management, preferably in the international area, and be able to operate independently.

The post to be filled offers an attractive tax-free compensation package which includes allowances and annual return air fares for the officer and dependants, pension plan, and medical, life and salary continuance insurance coverage.

Preliminary interviews will be carried out in London and interested applicants should forward a full resume of education and experience, which will be treated in the strictest confidence, to the Managing Director, RoyWest Trust Corporation S.A. Lausanne, P.O. Box 120, 1000 Lausanne 13, Switzerland.

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### Japanese Market

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The successful candidate will run the important Japanese Department with real autonomy and strong supporting team as part of a fast growing operation with very substantial funds under management. The attractive package includes free accommodation, flexible house loan scheme, provident fund and profit sharing. (VW/784)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W1, quoting reference. No identities divulged without permission.

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French language recommended

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مكتبة النور



BBC 1

11.20 am King of the Rocket Men. 11.40 The Hardy Boys and the Nancy Drew Mysteries. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 King Roll. 1.50 Stop-Gap. 2.00 Tennis: The Barratt World Doubles Championship from Birmingham. 3.55 Regional News for England (except London). 4.55 Play School. 5.00 Laurel and Hardy cartoon. 5.25 Jackanory. 6.00 Huckleberry Finn and His Friends. 6.05 Newsround. 6.10 Blue Peter. 6.40 News. 6.00 Nationwide (London and South-East only). 6.25 Nationwide. 7.00 Tomorrow's World. 7.25 The Pope. 8.00 Wildlife on One. 8.30 Seconds Out starring Robert Lindsay, Lee Montague and Ken Jones. 9.00 News. 9.25 Shoestring: First of ten programmes starring Trevor Eve. 10.30 Tennis: The Barratt World Doubles Championship—highlights of this evening's play. 11.25 News Headlines. 11.30 News Get Out Of That.

TELEVISION

Chris Dunkley: Tonight's Choice

In all the world no group of men seem to me so astonishingly brave, extraordinarily altruistic, or wholly admirable as Britain's volunteer lifeboatmen. When younger, reading about the exploits of their Victorian forebears made me cry, and this winter the tragedy of the Penleez boat is surely enough to make anybody cry. How gratifying then to find BBC2 launching a six-part drama series called *Emiel's Point* which has the lives of a lifeboat crew at its centre. But how ominous to find it scheduled for 6.20 and the producer quoted as saying that what it is not is "an action-packed adventure series about fearless men braving the elements against terrible odds." Why not? The BBC cannot surely have sunk so low as to use a lifeboat in the same way as you might use a motor or haulage firm as the excuse for a soap opera? What a dreadful thought; we shall know tonight.

That is followed by the News Summary and then a programme for all those readers, listeners and viewers who write so assiduously to journalists whenever a word is—in their view—misused: *The English Language*. It tells the story of the origins and developments of the language from obscure beginnings in the Low Countries.

BBC 2

11.00 am Play School. 12.00-1.15 pm Open University. 3.50 Tennis: Barratt World Doubles Championship. 5.40 All Creatures Great and Small. 6.30 *Emiel's Point*. 7.20 News Summary. 7.25 The English Language. 8.15 One Hundred Great Paintings. 8.25 Maestra. 9.00 Russell Harty. 9.55 Dancing Girls. 10.45 Newsnight. 11.30 The Old Grey Whistle Test.

LONDON

9.30 am Schools Programmes. 11.00 Young Ramsay. 11.50 The Bubbles. 12.00 Little Blue. 12.10 pm Get Up and Go! 12.30 The Sullivans starring Paul Cronin and Lorraine Bayly. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus presented by Judith Chalmers and Trevor Hyett. 2.45 Love Among the Artists. 3.45 Three Little Words. 4.15 Dangermouse. 4.30 Little House on the Prairie. 5.15 Take the Stage. 5.45 News. 6.00 Thames News with Andrew Gardner and Rita Carter. 6.30 Thames Sport. 7.40 "Ryan's Daughter" starring Robert Mitchum, Sarah Miles, Trevor Howard and Christopher Jones. 9.00 News. 9.30 "Ryan's Daughter" (continued). 11.15 The Monte Carlo Show: Patrick Wayne introduces guest stars David Essex and Debbie Boone. 12.10 am What the Papers Say. 12.25 Close: Sit Up and Listen Listen with Steve Race. Indicates programme in black and white.

BUSINESS LAW

Swiss banks' hidden write-offs

BY A. H. HERMANN, Legal Correspondent

SPENDING THE New Year in Switzerland, one could not avoid being asked whether, according to the Financial Times' crystal ball, the Swiss would pay the Polish debts—and asking in return what would the Swiss banks do if they did not.

Not that these questions would generate any great flow of information either way. The Swiss banks do not say how much they have lent to the Poles. But some, I was told, have already written off the Polish debts without showing this in their balance sheets. If they indeed did that, they forestalled the Swiss Banking Commission's latest move towards a greater transparency of banking accounts.

How can one write-off a bad debt, say, SwFr 1bn without unduly alarming shareholders and depositors? The answer is: by secret deployment of secret reserves. The secret reserves are created, of course, by accounting assets at their historical value. For example, gold bought in the good old days at U.S.\$100 per ounce is still accounted for at that price.

When the need comes—that is, when the bank or one of its debtors blunders—the gold is sold, or perhaps only revalued by a bed-and-breakfast operation, at the present price. The resulting profit is used to make up the loss and neither the profit nor the loss appears in the published accounts.

There is a theory abroad in Zurich that banks are in the business of making both profits and losses but that the sleep of the simple-minded depositors should not be disturbed by letting them know about the second.

This happy state of affairs received the seal of legality by the notorious Circular No 4 issued by the Swiss Banking Commission on December 4, 1975. Like any other country's company law, the Swiss prohibits hidden offsets of expenditure by revenue but the circular states: "An exception from the prohibition of offsets can be allowed only for the purpose of covering losses and creating reserves for risks of all sorts. . . . It is our view that banks, in the same way as other enterprises, may use secret reserves as well as current revenue to offset losses."

The circulars of the Swiss Banking Commission are not law but come very close to it. The Commission expects any bank that would not accept its ruling to notify the Commission. In such a case it would address to the recalcitrant bank a decision against which the bank could appeal to the Federal Court. It is not known that any bank has protested against circular No 4.

Indeed, the Swiss banks were somewhat alarmed (as far as the Swiss are capable of such a state of mind) by the announcement that reached them before the year's end that Circular No 4 had been withdrawn.

It will be replaced only after a further exchange of views between the Banking Commission and interested parties has taken place, and in the meantime—that is when drawing up their accounts for 1981—the banks have to rely on the law itself and its interpretation by the courts. That might have unpleasant consequences if one was to take literally the requirement of the law that a bank's accounts should give a "true and clear" picture of the state of its affairs.

The law requires that the balance sheet and the profit and loss account should ensure that the interested parties receive a true picture of the state of the company's affairs. The Federal Court said recently that the "interested parties" include not only shareholders, creditors and debitors, but also the public at large. It also ruled in another case that subsidies which a bank receives from a parent company to make good losses, have to be shown. The court indicated that the requirement of truth and clarity in accounts has greater weight than the banks' desire to cover up losses.

The question now is whether this principle can be applied also for the deployment of secret reserves. Some Swiss authors are quite positive that a secret deployment of secret reserves is perfectly compatible with the law if used to make up exceptional, unique losses or a temporary reduction in profits.

On acquaintances with its thinking, the Banking Commission has shown them a draft of a circular which should, after further consultations, replace circular No 4. This makes it clear that the Commission is not against secret reserves. It merely intends to restrict their deployment to hide losses.

In the future, when secret reserves are mobilised for whatever purpose, the respective amounts should be shown under the heading of "Diverse Income" in the final accounts. This would mean that to balance the accounts the bank would have to show also the losses. Should the present draft of the new circular be confirmed and un-

challenged in courts, or challenged and upheld, the unthinkable may yet happen. The Swiss banks may actually have to reveal their losses including those in Poland, if any, if not already written off under the old rule.

After the Chiasso scandal, when Credit Suisse was drained by a couple of crooks to the tune of \$40m, and a series of smaller mishaps which occurred recently—of which the unfortunate silver speculation of the Swiss Volksbank is the most prominent—there is considerable pressure from public opinion that some light about current affairs should be allowed to pass through the banking accounts.

It is pointed out that in the case of the Volksbank not even top accountants could divine from the accounts that the bank had used already, in 1980, SwFr 72m to cover its silver losses and would need for this purpose another SwFr 67m in 1981.

In addition to secret reserves, the fiduciary operations which play an important role in the business of Swiss banks of international standing, also contribute an element of uncertainty. In theory, the client entrusts his assets for fiduciary management of a portfolio at his own risk. In practice, the banks can, and do from time to time, get involved in claims for mismanagement or overstepping of the client's instructions and

A bank can also get involved in litigation on behalf of a client whose portfolio it manages, particularly when the basis of the agreement is that the name of the beneficiary shall not be disclosed. For this reason Dr Fritz Leutwiler, President of the Swiss National Bank, favours the listing of the volume of fiduciary deposits in the annual reports, as is already done by some banks. But many banks keep this figure secret.

As their fiduciary business equals in the case of some banks several times their balance-sheet total, it is questionable whether their accounts and reports come anywhere near to a true and fair picture of their business involvement.

The pressure for a greater transparency of Swiss bank accounts is likely to increase still further if the European Community adopts the EEC Commission's draft directive for the consolidation of reports on EEC-wide operations of banks. This directive should give the "home" state of a bank the possibility to supervise its activities throughout the EEC. Where banks have business outside of the EEC the draft directive expects member states to enter into bilateral agreements with non-EEC states on a reciprocal basis.

However, the EEC draft directives take a long time to become law. The Swiss have plenty of time.

RACING

BY DOMINIC WIGAN

THE QUEEN MOTHER, whose racing fortunes have sadly been on a decline for several seasons now, is likely to be more anxious than most that today's Lingfield card can be given the go ahead.

In the afternoon's feature chase there, the three miles Weald Handicap, Special Cargo is due to carry her colours while in the closing division of the Horley Novices' Hurdle she has Master Andrew (a present from the Jockey Club) bidding to complete a double.

Special Cargo, easily the Queen Mother's most consistent performer last season, when he finished in the frame on all his seven appearances, has not been seen out this season and there must be a question mark against his fitness. However, it is probably a small one.

Ten pounds below him in the handicap is another equally consistent sort in Sea Captain. With benefit of a recent outing at Kempton, where he showed up well for a long way in the Pond Handicap, behind him, Sea Captain may just have the edge over Special Cargo, in a race in which the remaining three, Earthstopper, Laeken and Abo cannot be ruled out.

Master Andrew, a fair third at Hexham on his hurdling debut last autumn, produced by far his best form to date in beating Lord North at Warwick early last month and it will be disappointing if he cannot follow up.

The Tote reports backing for only Donegal Prince and Bee Sting after opening a book on their two-and-a-half mile Tote Northern Hurdle at Haydock on Saturday. Their other prices read: 8-1 Cornering, 10-1 Baron Blakeney, 10-1 Galway Blaze and Hadajar, 12-1 bar.

LINGFIELD  
1.00—Men's Beau  
2.00—Holemoor Star  
2.30—Sea Captain\*\*  
3.30—Master Andrew\*\*

RADIO

5.00 am Radio 2 7.30 Mike Read. 8.00 am Radio 1 11.00 Mike Read. 11.30 am Radio 2 1.00 pm Radio 1 3.00 pm Radio 2 5.00 pm Radio 1 7.00 pm Radio 2 9.00 pm Radio 1 11.00 pm Radio 2

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"Carl Miller wants to build airplanes for us when he grows up."



Study hard, Carl, and your dream will come true."

Pete Conrad  
Former Astronaut  
Senior Vice-President  
Douglas Aircraft Company



"I built model planes when I was a youngster, including 'DC' airplanes McDonnell Douglas built nearly fifty years ago. My enthusiasm for flying—and for flying machines—has been growing ever since.

"The dreams of youth are the same as I once had—they want to fly to be a part of flying. The commercial heritage at McDonnell Douglas is older than I am. For fifty years we've been building commercial aircraft. Our famous trademark 'DC' means 'airliner' to millions throughout the world. Today's DC-9s and DC-10s will be followed by new planes to help carry the people of the world as we progress toward a century of building air transports.

"So keep painting our name on the models you build, Carl. And we'll keep building new models to make air travel safer, quieter, swifter and more pleasant—planes for young people like you to build dreams on."

MCDONNELL DOUGLAS



## THE MARKETING SCENE

The year ahead: grim in whole, or just in parts?

## Why marketers must hunt for value

WHAT WITH phantom meteors over Nottingham, and the seasonal reappearance of the nudie-nudge, suggestive-digestive, type of telly commercial so beloved of the holiday trade, it might be thought that the UK advertising business had offered such a creative blow-out over Christmas that it was due to face the New Year. That is by no means so, for while 1982 is likely to be grim in parts for the marketing fraternity, the broad-scale view is that by the second half of the year, advertising expenditure will be bubbling nicely in readiness for the consumer boom confidently expected in 1983.

Even the Advertising Association, a body noted for prudishness when it comes to forecasting, recently frisked up its heels and announced that from the second half of this year, the outlook was grand.

First, it revised its sums so as to project a cash gain in total advertising expenditure (display, its classified) last year of 10 per cent—an anticipated fall, in real terms, of only 2 per cent. Such a gain will have taken the advertising total to around £2.5bn.

Second, it said that advertising expenditures looked set for a return to real growth from the second half of 1982.

Finally, it predicted a "best-ever" for advertising in 1983, with display expenditure reaching an all-time high in next year's third quarter.

In the AA's view, total advertising expenditure this year is likely to increase by 14 per cent, while expenditure next year will rise by an estimated 5 per cent—anticipating gains in real terms of 3 and 5 per cent respectively, which ought to be good news for the media, not for manufacturers of second- and third-rank brands struggling to keep up.

This is not a universally-held view of possible developments. For example, the Henley Centre for Forecasting said this week that it had become convinced that the depression in consumer spending that it expects would be "dedication of the advertising bubble" in 1982, and that it was possible that the never-had-it-good days were rolling to an end. (Quite what this meant, it was impossible to be sure, but Henley did go on to warn that the communications industry should at least prepare itself for harder times.)

At the J. Walter Thompson agency, chairman Jeremy Bullmore, who is also chairman of the Advertising Association, says that "the crucial factor is whether there's going to be any recession. That is bound to influence events from the second half of this year—though not before then, and maybe not even then."

"The second factor will be last year's profits levels. If advertisers simply haven't got the money, they are bound to delay their return to more aggressive spending levels, whatever they think of advertising's worth."

"And their profits, let it be said, will depend on whether they got their total market right: whether they're selling the right product in the right place at the right price."

As for agencies, says Mr Bullmore, they are increasingly going to find that the need to secure some indication of advertising's value and return on investment is becoming more acute.

Had the end of fixed agency commissions produced a bloodbath of price-cutting? "I am far from certain," says Mr Bullmore, "as to how much of this is going on. After all, some

Campaign's Top 20 UK Agencies

Agency	1981 billings (£m)	1980 billings (£m)	% gain (fall), 1981 on 1980	Staff (previous year)
1 Saatchi and Saatchi†	101.20	83.00	21.9	540 (530)
2 J. Walter Thompson†	96.10	82.50	16.5	500 (511)
3 D'Arcy-MacManus and Masius	88.00	75.00	17.3	454 (449)
4 McCann-Erickson	76.54	74.97	2.1	415 (436)
5 Ogilvy and Mather	71.40	61.20	16.6	339 (378)
6 Collett Dickenson Pearce	60.69	61.61	(1.5)	237 (271)
7 Foote Cone and Belding†	56.00	45.00	24.4	291 (282)
8 Young and Rubicam	52.36	46.41	12.8	301 (315)
9 Allen Brady and Marsh	50.32	39.12	28.6	304 (253)
10 Dorland	46.90	38.00	23.1	260 (250)
11 Ted Bates	43.61	38.64	12.8	224 (237)
12 Leo Burnett	42.90	38.40	11.7	235 (235)
13 Boase Massimi Pollitt	39.20	32.20	22.0	192 (190)
14 Geers Gross†	34.00	24.00	41.7	125 (102)
15 Lintas London	33.50	31.20	7.4	183 (182)
16 Benton and Bowles	33.42	26.99	23.8	211 (206)
17 Wasey Campbell-Ewald	33.20	35.20	(5.7)	202 (233)
18 Doyle Dane Bernbach	31.25	27.05	15.5	169 (177)
19 Grey Advertising†	30.43	22.10	37.6	136 (112)
20 Davidson Pearce	30.00	28.00	7.1	167 (167)

† Notes: South: London billing only; Manchester not supplied. JWP: London only; Manchester reported separately. FCB: Includes Park Advertising and Wulfsberg. Geers Gross: Includes Geers Gross West, formerly Brown's. Grey: Includes Leon Lerner, bought August 1981 (1980 billing: £14m), plus Grey's Glasgow.

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Jeremy Bullmore, chairman of JWP: "Advertisers must decide exactly what it is they want."

Advertisers see their agency as an overt extension of their marketing department, and are happy to pay for whatever services are rendered. Others just want advertisements—not marketing advice. An advertiser has got to decide exactly what it is he wants."

At Young and Rubicam, vice-chairman Michael Townsin says he is generally optimistic, and

that there are "no signs that 1982 will be in any way different to 1981, which was a pretty good year for advertising."

At Leo Burnett, however, chairman Dennis Barham says he is "fairly pessimistic for the economy as a whole, while the signs for advertising are that it will be just as tight a year as last."

That hardly worries him, for Burnett's already has £15m worth of new business in the pipeline for 1982, which means Burnett's is already looking at current year billings of more than £80m. It has 27 clients, every one of whom pays a full 15 per cent commission.

That Burnett's has so much new business already in the pipeline is one of many factors to be borne in mind when studying the new Campaign agency tables, published today, for they are strewn with pitfalls.

That this should be so is exclusively the fault of agencies. Some of them pile all sorts of PR and design and other fringe earnings into their figures. Others simply lie.

But if the figures for the Top 20 reveal anything—as indeed

they do—it is the depth of the trouble into which Interpublic has sunk in Britain.

Interpublic is the world's biggest advertising concern, and can derive no joy from the combined performance of its three London shops: McCann-Erickson, Wasey Campbell-Ewald, and Lintas.

Lintas is the most stable of the three, though its billings growth last year, at 7.4 per cent, was only half that of the Top 20 shops combined, whose total billings rose from a claimed £914m in 1980 to £1,056m (+14.9 per cent).

As for Wasey's and McCann, the fault seems to lie not so much in London as at Interpublic, in New York, which seems to operate miles up, with its head stuck in the clouds.

Between them, Wasey's and McCann shed 72 staff last year, but then member agencies of the Institute of Practitioners in Advertising shed a total of 850 during the year. The total employed in IPA agencies is now 14,700, a 5 per cent fall on 1980, which means the total is back to its 1978 level. Most of the losses occurred in London, where numbers employed fell by 800 to 10,800. Nearly half the losses were in the IPA's "executive" category.

The most significant feature of the agency year was the marked success of the new-breed shops, which not only blacked the eyes of much bigger, American-owned, rivals, but made reputations for themselves on the creative front.

There are six new-look shops worth watching: Grandfield Rork Collins, whose total billing, including grossed-up fees, is virtually £30m; Wright Collins Rutherford Scott, which has just passed the £20m mark; Legas Delaney, Lowe and Howard-Spink; Gold Greenlees Trotter, and Brignull le Bas.

According to estimates by Campaign, a minimum of £227m worth of accounts changed hands last year, which shoots to ribbons the bigger agencies' claim that account moves, in a given period, represent only a tiny fraction of the whole.

According to estimates by Robin Wright, a founder-director of Wright Collins, approximately £60m worth of the accounts that moved went to agencies that did not exist three years ago.

That's showbiz for you.

THE RECESSION, as the Henley Centre for Forecasting remarked this week, is old hat. But in a felicitous turn of phrase, it said that the current pioneer attack on UK real incomes—lower pay settlements and stubborn inflation—was producing what marketers are experiencing as a "recession-within-a-recession"—a further snowfall on top of slush and ice.

Small wonder that Henley, in discussing short-range prospects, is forecasting some marked volume reductions in consumer spending overall, though precisely where the axe will fall is difficult to say.

In Henley's view, consumers are becoming extremely choosy in asserting new and current priorities. "If spending overall declines sharply this winter," it says, "then some sub-sectors and markets will do very badly. One can only speculate, but some markets—possibly for seasonal goods—may simply fail to materialise. Already, syndicated sales data suggests that volume sales may now be declining fairly sharply."

Loss of confidence among some market planners, it says, could prove serious, while

advertising budgets could well be cut.

It makes the point that heavy de-stocking by retailers tended to exaggerate the true declines in consumer spending in 1980, though spending overall was buoyant while by contrast, modest stock reductions now may be wrongly interpreted, and thus help to understate true cutbacks in High Street spending.

"As yet," it says, "there is little evidence of across-the-board recession mentality among consumers. But as the squeeze on real incomes tightens, against a background of mounting unemployment, recession mentality may quickly emerge in some markets. We would certainly expect this, given our consumer spending forecasts."

In the specific case of food, Henley says that the UK shopping basket has changed in much more complex fashion than that indicated by preliminary study of the latest generally-available data, the National Food Survey (second quarter, 1981).

In its view, the key trends include: a move towards "cheaper" meats, continued

demand for quality convenience foods, mixed performance of snack foods, a respite for canned foods, buoyancy of frozen foods, more home-baking, and a mixed pattern in dairy products.

In the medium term, Henley says that even with the upturn in business projected for 1983-1984, many features of the current recession will persist.

For instance, it reckons that widely varying rates of price increases across different categories of goods, will persist, so that over a five-year period marked changes in relative costs will appear.

Markets will continue to exhibit considerable change, it says, both in terms of new product launches, and of modification to existing ones.

"Stable" markets, of a kind previously experienced, are a thing of the past. Lifestyles and aspirations are undergoing a sea-change. Merely on grounds of the overall numbers in various age groups, which are set to change considerably, demand cannot remain stable.

Planning Consumer Markets is published quarterly by the Henley Centre for Forecasting, 2 Under Street, London, EC4A 3AA (01-353 8861), £200.

A GUIDE to "sound and responsible commercial practice" in the area of sale and purchase of television advertising airtime has been published by the Independent Broadcasting Authority.

The aim, it says, is to "clarify areas in which there have been differences of opinion between the advertising business and the television programme contractors."

The IBA makes clear that all ITV companies should make available for purchase—and use their best endeavours to sell—the maximum permitted number of advertising minutes, at published rates.

The companies are warned that they are not to diminish the commercial airtime available so as to harden advertising rates.

Further, the companies are told that "the fact that an advertiser chooses not to participate in an incentive or share scheme should not affect his ability to buy any particular

available airtime at any published rate."

A statement of principles for the sale and purchase of airtime has been agreed by the IBA's advertising liaison committee, formed last year.

Headed by the IBA chairman, Lord Thomson of Monifieth, the committee includes representatives of the Incorporated Society of British Advertisers, the Institute of Practitioners in Advertising, and the Independent Television Companies' Association.

The system of "pre-empt" ratecards—which allows a given advertiser to pre-empt its rivals by bidding more than they have for specified airtime slots—should be operated efficiently and fairly, stresses the committee.

"Subject to availability," it says, "advertisers should have the right to select at what level they enter the pre-empt structure, but this should not preclude contractors from advising on the element of risk foreseen."

"Unless there is a particular need for confidentiality," says the committee, "contractors should promptly and regularly supply such information about the medium as will enable judgments to be made of the television airtime market, area by area."

The contractors enjoyed a buoyant year last year, with net advertising revenues of more than £600m. Prospects for 1982 are considered good.

## Another fall of snow on top of slush and ice?

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## TECHNOLOGY

## Micro-package for the military

BY GEOFFREY CHARLISH

IT IS one thing to produce the new generation of 16-bit microprocessor, the so-called "supramicro," for use in commercial digital equipment—Intel, Motorola and Texas are leading exponents—but when the military calls for the same thing, the going gets that much tougher.

These developments, military or civil, are of considerable significance because they mean that the power previously vested in the minicomputer but contained in a box the size of a filing cabinet, can now be drawn from a single printed circuit card card housing a microprocessor no bigger than a large postage stamp.

In the commercial market place competition is keen to produce low cost versions of shoe-box sized machines that half a dozen people can use at the same time.

In the military market however, the emphasis is different. In particular, the devices have to be able to stand up to physical maltreatment that would be disastrous for most commercial products.

The tiny computers might find themselves aboard a missile, for example, which when launched could produce severe vibration over quite a wide frequency spectrum (due to the rocket motors), possibly in conjunction with very high or very low temperatures.

While in flight they might have to survive the hard radiation from a defensive nuclear blast.

But even before they take off on their one way trip, they will have to remain unaffected by storage for long periods in temperatures that can range from arctic to tropical.

The military also has specific supply requirements: for national security reasons it generally demands that critical components be "home" available.

In the UK, Ferranti is a leading supplier in this specialised semiconductor field and this week has announced its selection by the Ministry of Defence to develop and manufacture a very large scale integrated (VLSI) version of the Military Argus M700/40, to be known as M700/40.

Most of the items, the four special chips for example, are already available: the trick is to bring them together in a hybrid package that will meet all the stringent temperature, shock, vibration and radiation tests laid down by the MoD.

It is expected that the M700/40 will be used in a wide range of MoD and export systems. It has already been adopted for future developments of the British Aerospace Rapier missile system.

The processor itself, employing the four VLSI chips,

will be assembled in a hybrid multi-layer thick film package measuring only 91 x 56mm. It will operate six times faster than its predecessor the M700/20, which was constructed on two printed boards holding 10 dozen integrated circuits.

Evolution

Ferranti believes that advances it has made in bipolar technology, in logic gate design (in which a buffered gate reduces logic swings and improves the speed/power factor), and in the structure of its uncommitted logic array (ULA), have all contributed to the MoD decision.

Basically, these semiconductor technology evolutions mean that high speed devices of microprocessor complexity can be implemented in simple array structures instead of in the complex, high risk custom-designed devices that have previously proved necessary.

The company believes that this dramatically reduces the time, cost and risk associated with such developments, without compromising performance.

Up to now, the high gate speeds needed for military microprocessor design have not been available from ULA (which is basically an arrangement of uncommitted active elements on silicon, connected up to suit the task).

But the new developments mean that speeds previously

only associated with ECL (emitter coupled logic) technology can be obtained, but at "significantly reduced" power dissipation. Typically, gate delay is 2.5 nanoseconds and gate power dissipation 300 microwatts. Thus, maximum dissipation of the M700/40 is six watts from the dual 4.5/5.0 volts supply.

Ferranti is also developing for the Ministry a complete military microcomputer on a card, the M700/41, based on the new hybrid processor.

The computer incorporates a cache memory, a device which tries to predict what might need to be drawn from disc memory, holding the program/data material ready for more rapid use when actually called for. Faster operation results.

Also available is a private memory interface, which allows access to memory in the processor available only to the M700/41 system, giving faster cycle times than any other, non-dedicated memory that might be employed over the system bus.

The computer talks to other devices over Eurobus, the MoD-developed data/address highway. Thus, in existing M700 computer systems, the M700/41 can be treated as a plug-in pull-out module during all stages of system development, commissioning and deployment.

Safe effluent sampling

ACCURATE AND safe operation even with the most difficult and hazardous of industrial effluents is possible, a design of effluent sampler offered by Warren Jones Engineering of Bicester.

The unit uses no continuous electrical pumping process, but lifts a sample by means of a large diameter piston acting in a glass cylinder, the piston itself driven by an air operated actuator. After material has been drawn in, the piston descends again, evacuating all but a residual, measured sample.

Large bore inlet tubing allows a sample to be taken quickly and, at the end of the cycle the sample is expressed through a high pressure purging through a piston inlet cleans the cylinder, inlet tube

and delivery tube at each sampling cycle.







## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY  
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Thursday January 7 1982

## Reviving the inner cities

FOR SOME years Britain's leading corporations and institutions have been playing an expanding role in trying to stimulate and help smaller companies, particularly in the urban areas. They have had a slow but steady success and one spin-off has been the creation of a number of locally based enterprise agencies. The largest and most influential, the London agency, recently unveiled a package of welcome measures to extend and expand its role in encouraging small business and innovators to start up by advising them and putting them in contact with bankers and supportive larger firms.

## Evidence

This is only one side of the picture. It concerns primarily the private sector and then mainly only the very largest companies which have for some time had a keen sense both of their civic responsibility and of the long-term commercial advantage in an improving rather than deteriorating urban environment for their business operations.

There is a complementary side to the scene. This is the urgent need to find and develop as many ways as possible of harnessing private sector funds in conjunction with public sector monies (from both local and central government), to stimulate further the regeneration of some of the worst of the country's inner city areas. The clear evidence of social instability in these areas makes radical treatment all the more necessary.

This week two groups of people are at work, quite independently, on proposals which could have a profound effect on directing public and private sector money into urban projects.

## Attraction

One is the Treasury team drawing up the options for the Budget due in March. The other is the group of managers from the financial institutions seconded to Mr Michael Heseltine, Environment Secretary, to study inner urban problems after last year's riots.

This group is closeted to Ware, for a week of reflection following a trip to the U.S. and to consider what lessons can be learned and recommended to the Government.

## Reassessment in Mexico

YESTERDAY'S THREAT by Mexico's President Jose Lopez Portillo to introduce domestic petrol rationing smacks faintly of the absurd, coming as it does from the world's fourth largest oil producer.

Yet it underlines in an eye-catching way the problems now being faced by Mexico's expanding economy as a result of the glut in the world oil market.

Like other developing countries which have been blessed with large oil deposits Mexico has embarked on a programme of rapid economic expansion over the past few years. In so doing it has fallen into the trap afforded by the oil bonanza of free and inefficient spending on an economy that was not ripe for development at such a pace.

Mexico started out with a larger industrial base than some of these countries, notably Nigeria and Venezuela, but perhaps for this reason, its aspirations were proportionately greater and its economic problems are now all the more conspicuous.

Mexico has become the most heavily indebted nation in the developing world with total foreign debt estimated at some \$64bn. In spite of oil revenues of some \$14bn to \$15bn last year its current account balance of payments deficit was a massive \$10.8bn in 1981.

This is only part of the price that must be paid in any dash for growth. The other is the more delicate political price of reconciling economic reality at the end of the day with ingrained expectations of higher living standards.

**Rationing**  
The threat of petrol rationing reflects this second part of the problem. Even though the domestic petrol price was doubled this month, the state oil monopoly Pemex is still selling petrol in Mexico at a mere \$1 per gallon, a price that is at best barely profitable and one that a company as strapped for cash as Pemex can ill afford.

Yet the latest price increase has already been greeted with considerable dissatisfaction by the population. In much the same way Mexican government officials fear widespread popular resistance to any concerted

One of the most likely results will be the group's endorsement of a system of giving extra financial aid to urban areas along the lines of the U.S. Urban Development Action Grants. This channels Government cash into specific projects in urban areas on condition that a substantial proportion of the costs have already been committed from the private sector.

The attraction of the system is that it permits the Government to direct funds precisely and, therefore, to choose projects most likely to generate jobs and to stimulate further developments. It is flexible enough to allow the Government to provide funds on terms which might just tip the balance in an otherwise marginal project. Most importantly, it ensures private sector involvement from the start and it forces local authorities and business to talk constructively with common objectives.

The one difficulty lies in making the scheme attractive to the private sector. Some of the largest corporations are already playing their part but most companies are still not involved: they need a gentle nudge towards participation at community level.

In the U.S. the nudge is the possibility of setting such contributions against tax — a facility which does not exist in Britain.

## Incentives

This is where the planning of the details of this year's Budget is so important. The Treasury is not unsympathetic in principle to the idea of tax deductions for contributions to urban development and last year such an allowance was pencilled into the Budgetary schedule. But it was among the first casualties when the inevitable difficulties of making the revenue and expenditure balance were reached.

Any tax incentive would need to be carefully defined and limited to start-up contributions for firm projects. Given the low incidence of corporation tax and the abnormally high level of rates often found in the worst affected areas where the revenue base has been shrinking, part of the incentives might appropriately take the form of rate relief.

measures designed to curb growth, ease inflation (now running at 29 per cent) and reduce the strain on the balance of payments.

For this reason no one could expect Mexico, many of whose citizens still live in conditions of abject poverty, to do any more than tackle the backlog to its economic aspirations in a gradual way.

And the Government has announced plans to hold public spending unchanged in real terms this year, cutting back oil investment and diverting more resources to agriculture, one of the economy's weakest points. In the process, growth is forecast to slip to below a real rate of 7 per cent this year from 8 per cent last.

## Oil reserves

But Mexico is now extremely vulnerable to external economic factors beyond its control. A further drop in world oil prices would impose a still harsher strain on its balance of payments. Any new increase in U.S. interest rates would push up the cost of its borrowing and encourage speculation against the peso that is only being maintained at its present exchange rate level by dint of a fierce domestic monetary squeeze.

There might be a temptation to panic in such circumstances, and following this week's small \$1 drop in Mexico's price for heavy crude oil, there was certainly an element of irrationality in the talk of petrol rationing.

With its oil reserves of about 72bn barrels, Mexico certainly does not merit the status of an economic basket case. In a world anxious for economic growth Mexico, managed with greater economic restraint, still deserves the support of the international banks.

But the \$20bn of gross external financing which Mexico needs in 1982 will be more readily available if the Government maintains a firm and consistent approach to economic readjustment. This means—above all—containing the budget deficit to its targeted level, after a year when it overshoot by a factor of almost two.

SOME CLAMMY palms and nervous twitches can be detected in the finance departments of North Sea oil companies. Having had its bluff called by Sir Geoffrey "Poker Face" Howe, the Chancellor of the Exchequer, the offshore oil industry has been forced to declare its hand over possible tax changes.

The industry, which had long hemoaned the level and complexity of the tax system, was as surprised as anyone when, last spring, Sir Geoffrey suggested that the companies themselves—and anyone else interested—should devise an alternative structure.

Three main sets of proposals have now been submitted: one—a blueprint for radical change—by the Institute for Fiscal Studies and two less-controversial schemes by the industry itself.

The companies must now sit and wait as the Treasury scrutinises the submissions. Sir Geoffrey has promised to lay his own cards on the table in the spring Budget. So far he has given no hint as to whether his review of the tax system will incorporate any of the industry's suggestions. But the companies may be in for a shock.

Through their representative organisations—the UK Offshore Operators Association (UKOAA) and the Association of British Independent Oil Exploration Companies (Brindec)—they have called for a general reduction in the overall level of taxation.

They claim that present taxes will give the Government an average 55.7 per cent share of the profits over the life of the first 25 oil fields developed in the UK sector of the North Sea. At the margin the tax take from a very profitable field can be as much as 90.3 per cent, compared with 76.9 per cent in the 1975-76 period.

So far the forecast revenue of \$5.68bn for the current 1981-82 period looks like being achieved, or even slightly exceeded. But this is due in part to last year's depressed value of sterling which inflated the dollar value of North Sea oil production.

The future trend can be gauged from the latest estimates of stockbrokers Wood, Mackenzie which advised the UKOAA on its tax submission. A fortnight ago the brokers showed that under the present tax system North Sea revenues in 1983 (the calendar year) should be no more than \$9.7bn rather than the \$11.5bn forecast by the firm a year ago. Similarly its estimate of 1984 North Sea tax has been reduced from \$14bn to \$12.3bn.

All this leaves the oil companies in a quandary. Their proposals assume that tax rates will be reduced. If the Government decides to accept the industry's recommendations, but then tinkers with them to maintain the overall level of taxation, some companies could find themselves substantially worse off.

As it was, individual companies showed considerable self-restraint in allowing UKOAA and Brindec to be the only representatives of the industry's views. It was felt that the industry would have a better chance of being taken seriously if it showed a unified front.

The fact that all the different companies could find sufficient common ground may be evidence enough that the tax system is in need of an overhaul. It is, after all, introduced in 1975 when the oil price was \$12 a barrel, a third of the present level. The structure has been changed repeatedly over the past six years—seven times in one 18-month period—as successive governments have attempted to keep pace with rising prices, changing development conditions and Treasury budgetary requirements.

Attempts to remove anomalies have frequently spawned new problems. Sir Antony Part, former Permanent Secretary of the Departments of Trade and Industry and chairman of the Institute for Fiscal Studies committee which reviewed the tax structure, describes the present system as a "ridiculous" competition. The Government, he says, is striving for an early intervention of revenue while the industry is seeking allowances to

equivalent to about 20,000 barrels a day.

Third, the most important revenue-raiser—Petroleum Revenue Tax—is also levied on a field-by-field basis and is assessed on total revenues less royalty payments, Supplementary Petroleum Duty, operating costs and other allowances. At present PRT is calculated at a basic rate of 70 per cent of net revenues.

PRT is the most complicated of the bunch because of the various allowances. For example, companies can set against the tax the cost of exploration and appraisal work in the field; the costs of production, transport, initial treatment and storage of oil; and abortive exploration. A supplement of 35 per cent of exploration and development expenditures can also be set against the tax.

Furthermore, oil companies are provided with an "oil allowance" which gives ERT exemption on 5m tonnes a year of production from each field. And, to protect small or marginally economic fields, there is a safeguard provision which ensures that no PRT is charged on a field earning less than 30 per cent of historic capital costs.

Fourth, companies encounter Corporation Tax, chargeable after the other taxes have taken their bites. This tax is levied at a rate of 32 per cent but unlike the other taxes it applies to the offshore operations of a company rather than to individual fields. Companies such as British Petroleum, which operate highly profitable fields, can thus avoid paying the top marginal tax rate of 90.3 per cent by maintaining a programme of new field developments.

The Institute for Fiscal

## NORTH SEA REVENUES

## The oil tax teaser

By Ray Dafter, Energy Editor

	1975	1976	1977	1978	1979	1980	1981	Notes
ROYALTY:	rate %	12.5	12.5	12.5	12.5	12.5	12.5	1
SUPPLEMENTARY PETROLEUM DUTY:	rate %	—	—	—	—	—	20	2
Allowance (per six months)							0.5mt	
PETROLEUM REVENUE TAX:	rate %	45	45	45	45	60	70	3
Oil allowance (per six months)	rate %	75	75	75	75	35	35	4
Safeguard period		0.5mt	0.5mt	0.5mt	0.5mt	0.25mt	0.25mt	5
Advance payment		U	U	U	U	U	15	6
CORPORATION TAX:	rate %	52	52	52	52	52	52	7
Advance Corporation Tax		33/67	35/65	35/65	34/66	33/67	30/70	
Interest on overdue tax	% a year	9	9	9	12	12	12	
MARGINAL TAX TAKE	%	76.9	76.9	76.9	76.9	83.2	87.4	90.3

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Source: Arthur Andersen and Company and ML Petroleum Services



industry of prices falling in real terms over the next few years. Consequently, the Treasury has had to lower its offshore taxation estimates.

The most recent Treasury forecasts, published at the time of the Budget last March ("Economic Progress Report" No. 131) showed that in spring 1980 the Government was expecting oil and gas revenues in the fiscal year 1980-81 to total \$4.2bn. By November 1980 the forecast for that year had fallen to \$4.1bn. In March, at the end of the fiscal year, the estimate had fallen again—to \$3.84bn.

So far the forecast revenue of \$5.68bn for the current 1981-82 period looks like being achieved, or even slightly exceeded. But this is due in part to last year's depressed value of sterling which inflated the dollar value of North Sea oil production.

The future trend can be gauged from the latest estimates of stockbrokers Wood, Mackenzie which advised the UKOAA on its tax submission. A fortnight ago the brokers showed that under the present tax system North Sea revenues in 1983 (the calendar year) should be no more than \$9.7bn rather than the \$11.5bn forecast by the firm a year ago. Similarly its estimate of 1984 North Sea tax has been reduced from \$14bn to \$12.3bn.

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2 Tonnes; the amount of production exempt from taxation.  
3 Royalties to tax allowances for capital expenditures; in qualifying investment is uplifted by 76 per cent if spent before the end of 1978.  
4 Tons up to the end of 1978 and tonnes from 1979; the amount of production exempt from taxation.  
5 To protect economically marginal fields, PRT is not charged if the adjusted profit does not exceed 30 per cent of the accumulated capital investment. U = unrestricted; R = restricted (to safeguards and after 180 per cent of the payback period from production start).  
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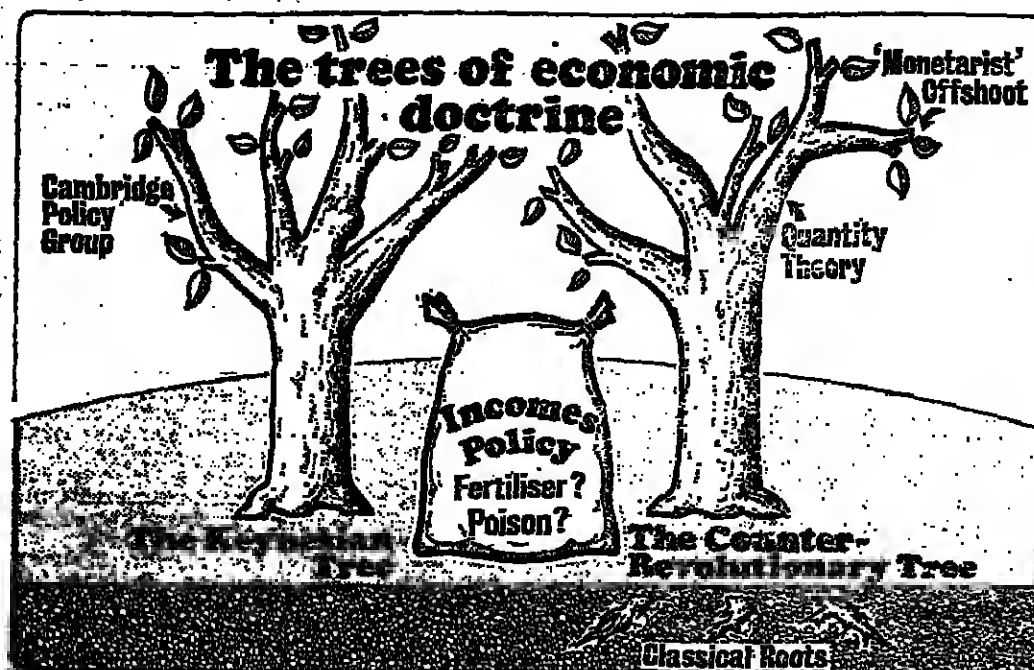
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ECONOMIC VIEWPOINT

# A guide for the perplexed

By Samuel Brittan



There are many macro-economic differences which cut across all the listed schools of thought. In my own case, I moved more than a decade ago from the first to somewhere between the second and third schools. But some beliefs have carried over from one to the other, such as a stress on the longer term, an emphasis on expectations, a suspicion of fine-tuning and a preference for rules over discretion.

Formerly they were expressed in support for a "National Plan" designed to influence expectations about real demand. Now they are expressed in support for a medium-term financial strategy to influence expectations about monetary demand. (In both phases, there have been opponents who regard a week in economics as a long time and the Governor's discretion as the best kind of economic plan.)

Views on "incomes policy" of course cut across the main groups listed in this article. There are Keynesians who do not believe an incomes policy is practical or desirable; and there are counter-revolutionaries and monetarists who urge such policies strongly.

There is, however, this degree of connection. Counter-revolutionaries who advocate pay controls do so to promote employment, especially in the longer term and are attracted to the Meade or Layard concepts. Keynesians on the other hand think of them basically as an anti-inflationary device and tend to settle for familiar wage and price controls, or social contracts with the TUC.

Yet having hinted at some of the complications and hybrids, and the unmentioned further sub-divisions, I still think that the four main divisions laid down here do help to map out the territory. It is, however, a conversation-stopper when faced with economic questions at cocktail parties you might try "I am not a monetarist, only an anti-inflationist."

controlling money. Sometimes influencing expectations.

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## Lombard Paris-Bonn ties under strain

By Jonathan Carr in Bonn

IT WAS encouraging to learn from Chancellor Helmut Schmidt in his New Year's message that the "close and friendly relations" between West Germany and France have been "further secured" since President Francois Mitterrand came to office. Without this assurance it would have been easy to suppose that exactly the reverse was true.

For example, those with fairly long memories will recall how closely Herr Schmidt and ex-President Giscard d'Estaing coordinated their stand after the Soviet invasion of Afghanistan. There hasn't been much sign of that over the Polish crisis. On the contrary the Germans complain that French reluctance delayed an EEC Foreign Ministers meeting on the subject (a claim which seems to have aroused some official wrath in Paris).

Looking a bit further back, there are Herr Schmidt and M Giscard privately agreeing to set up a European Monetary System (EMS) and going ahead despite the worst that the British (and the EEC farm ministers) could throw at them. Nowadays French ideas for development of the European Currency Unit and for a two-tier interest rate system for Europe bring scorn from the Bonn finance ministry and the Bundesbank alike—a fairly rare display of unity from those two institutions these days.

When the Germans were looking for support last year for their scheme for a "European Union" (Bonn never likes taking such initiatives on its own), it was to Rome they had to turn—not Paris. The very un-diplomatic comments made on this idea by a senior French diplomat in Bonn would certainly have made German ears burn—although admittedly these remarks did not amount to outright rejection.

Perhaps none of that is important enough to undermine what Herr Schmidt calls the "further securing" of Bonn-Paris ties. Nor, possibly, are the continuing differences over the Common Agriculture Policy (CAP) or the outbursts of the French Foreign Minister, M. Claude Cheysson—for example on the "Middle East" declaration. "M. Cheysson has always had a sharp tongue—

and no doubt he always will," said a Bonn government official ruefully.

But even if we dismiss all this simply as a series of storms in a teacup (or a wine glass or beer mug as you prefer), it is still hard not to be gloomy about immediate prospects for Franco-German ties. The reasons are economic in origin, but they have important political and psychological implications.

During the Giscard era the French pursued a course aimed above all at defeating inflation. They did so not just because they saw inflation as a "basic cause" of unemployment but because they felt success here was the key to greater international competitiveness, above all against the stability-conscious Germans. This, after all, was one of the main attractions of the EMS for M. Giscard. The discipline needed to maintain the parity of the Franc within the system would, he felt, help provide an alibi for unpopular stability measures at home.

This policy was not as successful as the French hoped. But so long as it was being followed, the idea of catching up with, and perhaps even surpassing, the Germans economically did not seem absurd. Many Germans themselves took the challenge very seriously. A mutual respect seemed to grow during those years which went well beyond the Schmidt-Giscard connection.

Now the worm is turning. Herr Schmidt politely notes that German economic policy lies about mid-way between the monetarists in Washington and the Keynesians in Paris, rather than saying outright he deplores both. A member of his cabinet is much more trenchant, calling the French economic course "simply disastrous."

The (pretty neutral) OECD in its latest economic outlook sees the French inflation rate rising this year to close to 14 per cent and the German one falling to just over 4 per cent, while the French current account deficit increases nearly \$7bn and the Germans go back into surplus. The consequences for the EMS need no underlining. But more worrying are the political implications as the divergence of economic performance becomes clear—worrying not just for Bonn and Paris but for those who have to live with both within the EEC.

## Letters to the Editor

### Resistance to raising the price of steel in Europe

From the Purchasing Director, Best Trucks and Equipment Ltd., May 1. I am allowed to say to the editors of the Financial Times that I am a member of the British Steel Corporation (December 21) and Mr. David Powis, director of the National Association of Drop Forgers and Stampers.

Mr. MacGregor makes an unconvincing case for raising steel prices by quoting rises in energy costs since 1975 and comparing steel prices in January 1982 with 1970 prices.

If we are to trade in statistics, let us at least deal in reasonably current examples. A typical parcel of 100 tonnes of mild steel plate in July 1981 was available from a stockholder below BSC list price at £185/tonne delivered. This month that same steel will cost £249/tonne from BSC or £262 from stockholders—respectively 33 per cent and 34 per cent higher than six months ago. Mills against mills prices are 20 per cent higher than December.

Stockholders cannot be left out of the picture because the Commission's cartel rules men-

tioned by Mr Powis effectively prevent stockholders from negotiating and passing on to their customers the benefit of rebates and discounts which they previously obtained.

Of course it will be difficult for steel consumers, including small drop forgers, to resist steel price rises, but that is no reason for not doing it. If Mr Powis, in attempting to run with the hare and hunt with the hounds, repeats my earlier letter, he will see that I said that we would help our suppliers to resist steel price rises. I hope other steel users will do the same.

If the Commission and producers can form a cartel, it must be equally acceptable for users to make their resistance in a collective manner. Government should well aware that users wield more votes than producers.

It is a strange form of economics which allows a government-backed cartel to impose swinging increases just at the time when we are all hoping to climb out of the recession by being increasingly competitive.

I am all in favour of remunerating efficient producers well but price increases have to be earned and justified not only by reference to cost increases but also in accordance with market demands. I am very afraid that the imposition of these increases will merely slow down BSC's resolve to achieve the status of an efficient competitive producer and hasten the day when its customers can no longer afford to deal with it. Why should users pay dearly to cushion European steel producers' losses?

Both Mr MacGregor and Mr Powis evade the central issue which is that BSC must produce and sell steel at a price which gives it a viable business and enables their customers to sell steel products competitively both inside and outside the EEC.

This they are plainly failing to do. What is the use of profitable highly priced steel if there are no customers?

J. Doran.  
Best Trucks and Equipment, Grovebury Road, Leighton Buzzard, Beds.

### The Invergordon closure

From Mr E. Macpherson.  
Sir,—There is prima facie evidence that the decision to let the Invergordon smelter close is based on muddled economic thinking. Although it seems clear that British Aluminium (and its shareholders) will be much better off as a result of the deal, someone needs to set down clearly what the estimated effect of the deal is on the Government's overall finances, i.e. the estimated cost/benefit to the taxpayer of the deal.

The figures quoted for the subsidy to electricity prices for the smelter over the years are large, but it is not clear whether these are full costs or marginal costs. Other questions need to be answered, such as: will the closure increase the profits of North of Scotland Hydro-electricity Board? What happens to the now surplus generating capacity of NSHEB? How will this affect NSHEB's pricing policy? How many jobs will be lost at NSHEB? What is the loss of profit to British Rail? How many jobs will be lost at British Rail? What alternatives were considered?

The economics of such a deal should be a matter of record for taxpayers.  
E. C. S. Macpherson.  
Nedd Lodge, Drumbrag, Lairg, Sutherland.

### Lloyd's extraordinary general meeting

From Mr N. Parker.  
Sir,—A rail strike threatens to interfere with the extraordinary general meeting of Lloyd's on January 13 by preventing members outside London from attending when neither proxies nor postal votes will be acceptable. Those affected should write to the chairman of Lloyd's demanding a change of date, thus providing him with the opportunity to disprove rumours that he discourages attendance at general meetings.

The chairman could, however, permanently counter such rumours by the simple expedient of conforming to normal business practice by allowing votes by post or proxy rather than insisting upon personal attendance by voters. Indeed he has already set a precedent for such voting procedure and merely by following his own precedent he could have avoided the present ridiculous situation.  
N. Parker.  
55, Curzon Street, W1.

### Success in selling to Japan

From the Deputy Chairman, Croda International.

Sir,—Success by the West in selling in Japan is, if anything, even more important than meeting Japanese competition there, if the one-way trade balance is to be overcome.

The key is to have a product with a competitive edge over the products of similar Japanese businesses—be it in price, style, novelty, specification, technology or any combination of these matters. Next it is necessary to find a Japanese interest which will benefit along with that of the exporter, once found, the self-interest of the Japanese starts to work for you.

Although helpful, it is not essential to have a subsidiary in Japan; the same effect can be achieved at least to some extent through the use of a Japanese trading company, carefully selected to avoid conflicting interests. A trading company, once the decision to work with you is taken, will saturate the European end of the partnership with service, but it is essential to invest senior management time into becoming known in Japan and to go to considerable lengths to adopt the courtesies of the country in meetings, setting together and

the exchange of gifts, tasteful yet of modest cost.

The UK, above all European countries, is well placed to penetrate the Japanese scene, given the right product and the will, because of the enormous advantage of the acceptance of English as the second language of Japan and to some extent even the first language in business circles.

It is not impossible to overcome the non-tariff barriers, the preference of the Japanese for buying Japanese and the different idea of an acceptable rate of return. It takes no more than the commitment which the Japanese themselves demonstrated when they started their export drives into the West.

D. C. Jackson, Oldbury, Warwick, West Midlands.

### Playing our cards badly

From the General Manager, Consumer Collection Division, British Mercantile Agency.

Sir,—I am in agreement with the spirit of Mr S. Thompson's letter (December 17) in that I feel that the facility with which credit cards can be obtained is in many cases inadvisable and in some cases an invitation to commit fraud. The attraction to the credit

card company of obtaining new customers is obvious. The interest rates charged are very high, and in cases where the credit card is issued in conjunction with a specific firm or group of companies, then the issuing group benefits both ways in that it obtains normal commercial profit on the sale of goods and a significant profit on the provision of credit.

Having said all that, credit was instituted in the 14th Century as a means of expanding business, and used correctly can benefit us all. I feel that the issuers of credit facilities (with specific reference to the general public) are possibly most remiss in the lack of education of the customers in the correct use of the credit facility. I frequently have to deal with situations where debtors quite simply do not understand the situation in relation to their credit account.

It seems to me that more onus should be placed on the provider of credit to ensure that his customer or potential customer understands fully the provisions of the credit agreement or contract, the true costs of the credit given and the possible consequences if the debtor does not adhere to the contract.  
A. M. Allies.  
British Mercantile Agency, Sidcup House, Sidcup, Kent.

## WHY BUSINESSES CANNOT IGNORE THE HEAT PUMP

In 1977, only some 200 electric air-to-air heat pumps were sold to businesses in Britain. But now it is estimated that 4,000 units a year are being installed.

What is the reason for this sudden explosion in demand for this particular form of heating? What has happened in the last few years to awaken interest in electric heat pumps?

### ENERGY OUT OF THE AIR

Quite simply as energy costs have risen in recent years, so heat pumps have become increasingly attractive. While the future of some fossil fuels looks less and less secure, the heat pump draws on the world's oldest and most freely available source of energy.

### SOMETHING FOR NOTHING

In a recent article, *The Times* described the heat pump as "a something-for-nothing technology". The electric heat pump works rather like a fridge in reverse: it extracts useful heat present in the environment, whether in the air, water or the ground, then boosts it to provide heating for the atmosphere inside a building.

So remarkable is the system, that it can produce useful heat even in the depths of winter.

### 40% SAVINGS

But while the energy crisis concerns everyone there are many more down-to-earth reasons why businessmen are jumping at the opportunity to install electric heat pumps. The principle of the heat pump means that it delivers more usable energy than it consumes; a simple equation that can add up to considerable energy savings. In some cases these savings have totalled as much as 40%.

### THINK ELECTRIC

These savings, of course, are redundant unless their continuation is secure. Electricity, the world's most flexible energy source, provides that security. Indeed there are already some cases where alternative fuels are simply not available for commercial use.

**TRIED AND TESTED**  
Electric heat pumps are available in a range of packaged units suitable for all types of commercial premises. They are simple to install, and run automatically. They have been tried and tested in offices, schools, shops and major stores like Mothercare and Odeon. The electric heat pump is no longer science fiction. It is science fact.

**A BREATH OF COOL AIR**  
If the benefits of the electric heat pump as a heating system alone were not enough, they have another unique advantage over conventional systems. When cooling, rather than heating, is required, electric heat pumps can simply switch over to produce a flow of cool fresh air 80 although the British weather will doubtless make heating a priority, staff or customers will be able to enjoy a pleasant climate from January to December.

**HERE TO STAY**  
If you are in the process of building or refurbishing, the electric heat pump could dramatically reduce your energy consumption and provide a secure, pleasant, year-round environment for your premises. Bernard Hough, at the Heat Pump and Air Conditioning Bureau, can discuss details and show you case histories. In short, he can tell you why the electric heat pump is here to stay. Call him on Freephone 2282, or complete the coupon.

I'm considering a new heating system. Please send me the facts and figures about electric heat pumps.

Name \_\_\_\_\_

Company Address \_\_\_\_\_

Post to: The Heat Pump and Air Conditioning Bureau, 50 Millbank, London SW1P 4LN.

PLANELECTRIC



## UK COMPANY NEWS

## Better second half lifts McCorquodale



Mr Alastair McCorquodale, the chairman of McCorquodale and Co., who described the results for the year ended September 30, 1981, as "reasonable."

**FOLLOWING** A better second half, taxable profits of McCorquodale and Co., the worldwide specialist printer, finished the year to September 30 1981 slightly higher at £5.01m, compared with £4.9m.

After six months they were down from £2.7m to £2.34m but in his interim statement Mr Alastair McCorquodale, the chairman, said he felt confident that with the growing strength of the overseas operations group profits for the full year would be close to those for 1979-80.

Commenting on the full year results, which he describes as "reasonable," in view of the climate which prevailed throughout the period, the chairman points out that the group's overseas activities continued to grow and that their successes, played a major part in protecting the group as a whole from the severe recession in the UK.

Group turnover for the 12 months rose by £10m to £80.74m with associated contributing £8.11m, compared with £4.32m. Overseas trading profits before interest came through at £2.41m, against £1.68m, a rise of 46 per cent. However, UK trading profits before interest fell by 7 per cent to £2.98m (£4.3m).

The pre-tax surplus was struck after higher interest charges of £1.55m (£1.19m) and included investment income of £189,000, against £136,000, and a share of profits of associates, which improved from £1.13m to £1.29m. Tax took more at £1.02m (£708,000).

Stated earnings per 50p share declined from 26.09p to 24.5p but

The following companies have notified directors of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are likely to be paid and the subdivisions shown below are based mainly on last year's timetable.

**TODAY**  
Interim: Peter Black, Electronic Rentals, Robert Kitchen Taylor, John Widdowson.  
Final: Birmingham Pallet, Hickson and Welch.

**FUTURE DATES**  
Interim:

the total dividend is being increased from 7.59p net to 8p—the final is the same at 5.39p.

The directors say that the decision some years ago to increase the size of the group's overseas activities is now beginning to bear fruit and that they will continue to search for new specialist growth opportunities both at home and overseas.

**comment**  
McCorquodale's 2.3 per cent advance at the pre-tax level is substantially a vindication of overseas expansion, aided by currency movements. Trading profits increased by 46 per cent abroad, which marginally outweighed a 7 per cent drop in the UK. The group's overseas operations, which have been particularly strong in Australia, where annual premiums rose from £3.7m to £5.9m and single premiums from £400,000 to £700,000.

Strong growth in its worldwide life and pensions business is reported for 1981 by Phoenix, which had a 20 per cent increase in new annual

premiums from £22.1m to £27.1m and a 9 per cent increase in single premiums from £23.4m to £24.6m.

Business was buoyant in the UK in all main sectors of the market. New annual premiums on individual policies rose 8 per cent from £5.1m to £5.6m, and nearly 50 per cent from £2.9m to £3.9m.

But the main growth in annual premium business came in the linked life subsidiary Property Growth Assurance with a rise of over 80 per cent from £2.9m to £5.1m. This latter growth was shared between life business at £3.5m and pensions business at £1.6m.

Single premium business in the UK showed a more static picture for linked life with premiums rising £18.6m against £18.5m from Property Growth.

## BOARD MEETINGS

Boardmen (K.O.) (Ink) Jan 12  
Courts (Furnishers) Jan 11  
G.T. Japan Invest. Trust Jan 18  
MFI Furniture Jan 19  
Merrimish House Jan 25  
Renaissance (Jewellers) Jan 12

Finals:  
Amalg. Tin Mines of Nigeria Jan 12  
Daily Mail and General Trust Jan 14  
Electronic Investment Jan 21  
Murdoch Jan 14  
South African Land & Exp. Jan 21  
Soudral Jan 21  
Tate and Lyle Jan 20  
Vast Steel Exploration and Mining Jan 21  
Western Deep Levels Jan 21  
Westminster Property Feb 3

a contribution from Kentucky Litho, which is now trading more vigorously after a lack-lustre start. At home, McCorquodale said that a satisfactory return on its 1980 investment in closures (mainly related to type-setting). Having since closed a packaging plant, cut down on wire and cable equipment, and withdrawn from book-printing at Newton-le-Willows, the group should achieve greater loss eliminations in 1982. In the past year, selling prices have not kept pace with input costs, so the ability to sustain UK margins this year may need further productivity gains. 1981's improvements may not be too easy to reproduce. At 1981, up 6p, the shares traded at just under nine times last year's earnings. Well underpinned by a yield of 8.8 per cent, the price assumes that demand for cheques will continue to resist the encroachment of electronic banking.

The sharp interim recovery at Brown and Tawse stems almost entirely from past cost-cutting, particularly on the sale of the plant hire fleet which eliminates the losses of some £100,000 in the second half last year. But profits could well double this time to take the group a fair way along the recovery path to a fully taxed p/e of 9.3 at 140p, up 10p yesterday. Much of the impetus will come from plant sales, particularly exports of hydraulic breakers, which should stimulate the contribution from the non-stockholding division to about £700,000 against just £39,000. More importantly, the steel industry has pushed through two price increases since October and these appear to be sticking. Volume has risen in anticipation of these rises, if not by very much, and demand should remain quite firm ahead of the smaller price increases planned for April and July. Their aggregate effect will almost certainly lift the group's working capital requirement (the amount of cash needed to finance the working capital cycle) to a significant level (the pre-tax profit) but the converse should be a significant stock appreciation. There is scope, too, for a dividend improvement this year: the historic yield is 8.6 per cent which would go to 7.6 per cent if the final is hoisted to 6p per share.

On traditional business in Phoenix, single premiums nearly tripled from £300,000 to £1.1m. New sums assured at £2.95m failed to reach the £3m mark.

A good year for new life and pensions business is reported by Merchant Investors Assurance Company, the UK linked life subsidiary of the Dutch insurance group Nationale Nederlanden. Annual premium business increased by 45 per cent to £4.8m, with both life at £2.7m and pensions at £2.1m, similar rates of growth.

Unit linked single premium sales last year jumped nearly 50 per cent to £20m, with one-quarter of the total single premiums coming from the company's new International Currency Fund launched during 1981.

exchange quotation only last November. Yesterday's interim loss of almost £11m, which does not include doubled research costs of £900,000, astounded the market: the share dropped 25 per cent to 100p. The main problem has been lack of demand for the large (£300m) plus) systems, which account for the bulk of turnover. Despite this the company is continuing to plough money into fixed assets. The company is rebalancing the product range of the 1980 acquisition computer instrumentation, and the costs of this will appear in the second half figures. Quest exports about 65 per cent of turnover, but has no foothold in the U.S. which comprises 60 per cent of the market. Instead it has always been a big exporter to the Warsaw Pact, now a very uncertain market in the high technology field. A similar drop in share price after last year's interim loss of £247,000 was reversed in a couple of days. With the company for the first time forecasting a loss over the full year, a similar recovery is not likely this time round.

available if the company is to participate in the computer market.

The company's wholly owned subsidiary, Computer Instrumentation, acquired in May 1981, has been reorganised recently. The short term order book will be the second half, but the directors are confident of increasing profits.

The acquisition of Genesys in June 1980 has led to a negative return in the period to February 1982. The directors state that the turnover is likely to be in line with expectations and results should improve.

Future performance for the group continues to be dominated by the state of the economy, say the directors. They add that major capital expenditure is significantly constrained by a continuing lack of confidence, and until this returns the company cannot reap the benefits of its investment policy.

**comment**  
Quest, makers of computer aided design, has been making systems, obtain a full stock

## Brown &amp; Tawse at £1.36m

A REVERSAL from interest payable of £583,000 to interest receivable of £37,000 brought taxable profits of Brown and Tawse to £1.36m for the first half to September 30 1981 compared with £1.03m last time, after operating profits fell from £1.42m to £1.26m. Sales dropped by £2.81m to £23.65m.

The interim dividend of this steel and tube stockholder and engineer is being maintained at 1.4p net per 25p share—last year a total of 6.4p was paid on taxable profits of £1.57m. Earnings per share for the six months are given as 6.3p (4.8p).

Mr S. Douglas Rae, chairman, says that demand for steel and tube products has remained weak, but there are some signs of a modest recovery.

The directors fully expect the improvement in gross profits will be continued during the second half of the year, he adds.

After tax of £705,000 (£535,000) and preference dividends of £2,000 (same), attributable profits emerged at £498,000 (£493,000). Dividend of £145,000 (£145,000) leaving retained profits of £353,000 (£348,000).

**comment**  
The sharp interim recovery at Brown and Tawse stems almost entirely from past cost-cutting, particularly on the sale of the plant hire fleet which eliminates the losses of some £100,000 in the second half last year. But profits could well double this time to take the group a fair way along the recovery path to a fully taxed p/e of 9.3 at 140p, up 10p yesterday. Much of the impetus will come from plant sales, particularly exports of hydraulic breakers, which should stimulate the contribution from the non-stockholding division to about £700,000 against just £39,000. More importantly, the steel industry has pushed through two price increases since October and these appear to be sticking. Volume has risen in anticipation of these rises, if not by very much, and demand should remain quite firm ahead of the smaller price increases planned for April and July. Their aggregate effect will almost certainly lift the group's working capital requirement (the amount of cash needed to finance the working capital cycle) to a significant level (the pre-tax profit) but the converse should be a significant stock appreciation. There is scope, too, for a dividend improvement this year: the historic yield is 8.6 per cent which would go to 7.6 per cent if the final is hoisted to 6p per share.

Underwriters take 68% of Abwood issue

The £225,000 rights issue launched by Abwood Machine Tools, the troubled Dartford-based machine tool manufacturer, has been taken up by only 32 per cent of shareholders.

The balance of 2,312,449 shares has been purchased by the underwriters at a subscription price of 7.5p per share.

In October of last year a private company called Woodruff Investments, formed by former Wilkinson Match chairman Mr Denis Randolph and Mr Roger Petty, previously a managing director of Renwick Group, proposed an equity injection by subscribing £80,000 in cash for a 32 per cent equity stake in Abwood.

However, this move was superseded by the rights issue underwritten by stockbrokers Bone Fitzgerald. The principal underwriter was Madison Investments, a Cayman registered company controlled by Mr H. K. Chai, a Chinese businessman living in Malaysia.

relevant Swiss banking and professional secrecy provisions. The bank says that for clients who wish to have additional protection "special arrangements and legal vehicles can be set up in various suitable jurisdictions."

The minimum size of portfolios the new bank will handle under discretionary management is SwFr 500,000 (£278,000). For fiduciary deposit accounts the general minimum is \$25,000 in the U.S. currency or the equivalent of \$100,000 in other major currencies. There is no minimum requirement for straight custody accounts.

**WINTERBOTTOM ENERGY TRUST**—Results for 1981, reported on December 16, net asset value per share 78.5p after deduction of prior charges at par, and 82.7p after prior charges at market value.

**BOSCOMBE PROPERTY COMPANY**—Pre-tax profit half year to September 30 1981 £70,888 (£23,355). Tax £20,532 (nil). Earnings per share 36.06p (71.6p).

## Malaysiam Tin set for USM

Malaysiam Tin, whose shares were suspended on the Stock Exchange last April pending approval of a reverse takeover by two property companies owned by Mr R. W. Moore, is being introduced to the Unlisted Securities Market.

Following the expiration of its Malaysian tin mining leases in 1980, Malaysiam's trading ceased. Its income since then has come solely from cash deposits of £104,000 at March 31, 1981 and the group's holding of Lonrho shares, reduced during the current year from 189,000 to 139,000. Pre-tax profit in the year to March 1981 was £43,000.

Mr Roland "Tiny" Rowland, chief executive of Lonrho, sold his 19.5 per cent stake in the director last spring at about the same time as Mr Moore bought a 21 per cent interest.

The acquisitions of R. W. Moore (Developments) and Elmforest (Properties), which were first announced in April, were approved by Malaysiam share-holders last month.

The two companies specialise in small residential developments in the higher price ranges in the West Midlands, but are

also expanding into commercial development. Combined turnover has grown from £281,000 in 1976 to £538,000 in the 15 months to March 1981. Rental income over the same period has risen from £363 to £103,000, and pre-tax profit from £28,000 to £92,000. Total balance sheet at March 31 shows net tangible assets of £318,000 after bank overdrafts of £56,000 and loans of £20,000. Development properties are valued at £378,000, but a valuation in November 1981 put the value of the group's properties at £744,000.

A pro-forma balance sheet at March 31, 1981 shows the combined net tangible assets of Malaysiam and the two property companies at £404,000 before the property revaluation.

The consideration for the acquisitions was 700,000 shares of Malaysiam, 54 per cent of those issued, plus £30,000 cash for Elmhurst.

The shares of Malaysiam stood at 65p when dealings were suspended on the Stock Exchange last April 30. Dealings on the USM are expected to begin on January 11.

The introduction has been arranged by stockbrokers Margetts and Addebrooke, East, Newton.

## Akroyd &amp; Smithers aims for futures involvement

IN THEIR statement accompanying the accounts for the year ended September 25 1981 the joint chairmen of stockjobbers Akroyd & Smithers say they are determined to involve the company in the new London International Financial Futures Exchange (LIFFE) which is due to open in the Autumn of this year.

The joint chairman, Mr Brian Peppiatt and Mr Timothy Jones, say two seats have been purchased and point out that growth in the number of contracts traded in the Financial Futures Markets in the U.S. has been "extraordinary" with the volume of business often substantially greater than in the traditional market.

As reported on November 20 the group's pre-tax profits for the year were £5.5m (£20.55m) before extraordinary debits of £1.02m (nil). The consolidated balance sheet shows current assets of £865.11m (£1.14bn), including bull positions of £267.8m (£428.38m), and bank balances and cash £11.11m (£20.08m).

Current liabilities stood at £938.97m (£1.13bn), including bare positions of £372.48m (£409.39m). Movement in net liquid funds shows decrease in bank balances £8.82m (£14.99m increase) and decrease in bank loans £5.64m (£21.6m increase). Meeting: Austin Friars House, EC, February 4, 12.30 pm.

## Yearlings total £12.1m

Yearling bonds totalling £12.1m at 154 per cent redeemable on January 12, 1983 have been issued this week by the following local authorities:

Basinstoke and Deane BC £1m; Cheltenham BC £0.5m; Kings Lynn and West Norfolk BC £0.5m; Coventry (City of) £1m; Tweeddale BC £0.5m; Wycombe DC £1m; Harborough DC £0.5m; Abwick DC £0.25m; South Bedfordshire DC £0.25m; Swansea (Council of the City of) £0.5m; Birmingham (City of) £0.5m; Fife Regional Council £1m; Lambeth (London Borough of) £0.5m; Angus DC £0.5m; Motherwell, EC £1m; Metropolitan EC £1m; South Lakeland DC £0.25m; Bedfordshire CC £0.5m.

## Legal and General new annual business hits £102m

RECORD NEW life and pensions business in 1981 is reported by Legal and General, one of its worldwide businesses, with new annual premiums reaching £100m for the first time, rising 35 per cent from £58.6m to £102.1m. Single premiums were nearly 70 per cent higher at £60.5m compared with £35m.

The company, the second largest life company in the UK, had an excellent year for new individual life and pensions business in the UK. New annual premiums rose by a quarter from £25.8m to £32.1m and single premiums doubled from £16.4m to £33.5m.

Ordinary life annual premiums increased by 23 per cent from £18.1m to £22.3m while self-employed pension annual premiums rose nearly 50 per cent from £3.1m to £4.5m. The

single premium growth came mainly from sale of guaranteed income and growth bonds, while self-employed single premiums jumped from £300,000 to £2m.

However, on the company, the largest pensions company in the UK, had a mixed pattern of business on its group pensions side. New annual premiums fell over 8 per cent from £56.4m to £50.9m, of which £47.4m came from insured schemes and £13.5m from managed funds.

However, single premiums on group business advanced 7 per cent from £15.7m to £22.3m, which those to insured schemes amounted to £9.5m and those to managed funds came to £12.8m. Mr Roo Peet, L and G's chief executive, said that this reduction in pensions business was expected, reflecting the recession and lower wages.

However, in the case of com-

panies negotiating improvements in existing schemes or coming to Legal and General for the first time, total new business was comfortably higher at £35.6m against £31.5m.

The company's linked life subsidiary had another good year in 1981 with annual premiums almost doubling from £2.4m to £4.7m and single premiums up by half from £1.3m to £1.9m. These figures are included in the total UK figures.

The group's overseas operations also showed strong growth, especially in Australia, where annual premiums rose from £3.7m to £5.9m and single premiums from £400,000 to £700,000.

Strong growth in its worldwide life and pensions business is reported for 1981 by Phoenix, which had a 20 per cent increase in new annual

premiums from £22.1m to £27.1m and a 9 per cent increase in single premiums from £23.4m to £24.6m.

Business was buoyant in the UK in all main sectors of the market. New annual premiums on individual policies rose 8 per cent from £5.1m to £5.6m, and nearly 50 per cent from £2.9m to £3.9m.

But the main growth in annual premium business came in the linked life subsidiary Property Growth Assurance with a rise of over 80 per cent from £2.9m to £5.1m. This latter growth was shared between life business at £3.5m and pensions business at £1.6m.

Single premium business in the UK showed a more static picture for linked life with premiums rising £18.6m against £18.5m from Property Growth.

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available if the company is to participate in the computer market.

The company's wholly owned subsidiary, Computer Instrumentation, acquired in May 1981, has been reorganised recently. The short term order book will be the second half, but the directors are confident of increasing profits.

The acquisition of Genesys in June 1980 has led to a negative return in the period to February 1982. The directors state that the turnover is likely to be in line with expectations and results should improve.

Future performance for the group continues to be dominated by the state of the economy, say the directors. They add that major capital expenditure is significantly constrained by a continuing lack of confidence, and until this returns the company cannot reap the benefits of its investment policy.

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relevant Swiss banking and professional secrecy provisions. The bank says that for clients who wish to have additional protection "special arrangements and legal vehicles can be set up in various suitable jurisdictions."

The minimum size of portfolios the new bank will handle under discretionary management is SwFr 500,000 (£278,000). For fiduciary deposit accounts the general minimum is \$25,000 in the U.S. currency or the equivalent of \$100,000 in other major currencies. There is no minimum requirement for straight custody accounts.

**WINTERBOTTOM ENERGY TRUST**—Results for 1981, reported on December 16, net asset value per share 78.5p after deduction of prior charges at par, and 82.7p after prior charges at market value.

**BOSCOMBE PROPERTY COMPANY**—Pre-tax profit half year to September 30 1981 £70,888 (£23,355). Tax £20,532 (nil). Earnings per share 36.06p (71.6p).

## Tooling Investments rise aided by Alfred Herbert

A MAJOR contribution from the Alfred Herbert high technology machine tool business has helped Tooling Investments to produce a more than fourfold rise in profits in the year to July 1981.

Tooling, a private West Bromwich-based engineering company, took over the Herbert lathes

manufacturing and tool reconditioning operations when the big state-owned machine tool group collapsed in mid-1980, leaving the Government with £5m in losses. Later, Tooling bought Herbert's U.S. and Canadian subsidiaries.

Turnover of Tooling has grown from £3.5m to £15.9m, and profit before tax from £0.8m to £3.7m.

Mr R. M. Lynch, chairman, said that the major impact on turnover and performance had come from the acquisition of certain Herbert businesses, "in particular, the high technology machine tool manufacturing business at Edgwick, Coventry."

"We have been particularly pleased with the reaction we have had from customers to the Herbert high technology lathes. Our order book is looking healthy, production is being increased and we expect Alfred Herbert to continue to make a significant contribution to our profits."

## Quest Automation predicts loss

AN UNAVOIDABLE pre-tax loss is forecast for the year by Quest Automation after the first half taxable deficit surged from £347,000 to £1.46m for the six months to August 31 1981.

The company's performance, say the directors, is directly linked to the capital investment policy pursued by the industry as a whole. They say the results for the current financial year were materially affected by world recession.

The taxable figure was struck after sharply increased research and technical expenditure of £901,000, against £448,000 previously. In the last full year pre-tax profits of this manufacturer of computer aided design equipment, stood at £813,000.

The group pursued its longer objectives, say the directors, despite adverse consequences. In the short term the planned expansion of marketing and technical areas is being implemented. This has had the immediate effect of increasing costs without a corresponding return in income. They add that these short-term costs are un-

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**WINTERBOTTOM ENERGY**



## Intl. Paint builds up Holden stake

 **NatWest**  
**Registrars Department**

National Westminster Bank Limited has  
been appointed Registrar of

**George Spencer  
Limited**

All documents for registration and  
correspondence should in future be sent to:

National Westminster Bank Limited  
Registrar's Department  
PO Box No 82  
37 Broad Street  
Bristol BS99 7NH

Telephone Bristol (STD Code 0272)  
Register enquiries 290711  
Other matters 297144



## Chemical Bank links with Eurobond clearing house

BY WILLIAM HALL, BANKING CORRESPONDENT

It is expected that banks which have dealt with Ceditel via telex will now use the Chemlink system to communicate with the Eurobond clearing houses. Ceditel has 1,100 participants.

Chemlink clients will be able to input sales and purchases of Eurobonds and give settlement instructions. It will also give details of all transactions not settled or cancelled, balances held in cash and securities transactions in suspense.

Last November Ceditel signed an agreement with the Society for Worldwide Telecommunications (SWIFT) enabling Ceditel members to use SWIFT's computer terminals for some of their transactions.

**Fujitsu to**

## raise Y50bn

**FUJITSU**, Japan's largest computer concern, plans to raise about Y50bn (\$227m) through a public issue of 80m new shares. The price for the Y50 nominal shares has yet to be fixed, writes Our Financial Staff.

would be issued as European depositary receipts, with each EDR representing 1,000 shares. The proceeds from the issue would be put to its ¥60bn capi-

## ND SERVICE

which an adequate secondary market  
 complete list of Eurobond prices which  
 Closing prices on January 6

91 EUA	25	82	83 1/2	0	0	12.07
90	40	77 1/2	79	0	0	13.01
90 EUA	76	81	82 1/2	0	0	11.10
90	70	80 1/2	80 1/2	0	0	10.15

**By Paul Betts in New York**

90 EUA	18	81	92%	0	0	11.10
1986 FI	80	99%	100%	+0%	+0%	10.15

AUTISCHE MARK		Change on		Yield		Yield	
STRAIGHTS		Issued	Ald	Offer	dew	Week	Week
Anten Oav. Bank 101	100	99 1/2	100 1/2	0	0	10 1/2	10 1/2
Katen Oav. Bank 101, 88	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Belga 11 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Belga 10 '91	120	102 1/2	102 1/2	0	0	10 1/2	10 1/2
Bank of Europe 100	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Bank of Europe 101, 91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
SEC. 104 '93	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
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Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
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Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
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Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
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Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
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Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
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Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104, 86	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Inter-American 101 '91	100	101 1/2	102 1/2	0	0	10 1/2	10 1/2
Fin. 82, 80	100	100 1/2	101 1/2	0	0	10 1/2	10 1/2
Finland. Rec. of 104,							

THE BOARD of Governors

..... 7/81	1182	953	871	-72	-1.89
5 91...10/81	919	762	702	-60	1.07
..... 8/80	808	719	647	-72	1.08

96	10/31	552	87	172	-0%	1.33
96	10/31	246	83	88	-0%	6.48
90	9/30	191	177	79	-1	0.17
90	10/31	434	178	79	-2	-4.98
	8/31	68	168	86	0	29.84
	2/81	125	170	75	0	60.02
5	2/80	70	166	80	0	8.06
DM	2/79	293	100	100	-0%	-0.50
DM	9/88	381.8	165	170	-4	-4.14

[illegible]

This announcement appears as a matter of record only

December 1981

# LIBYAN ARAB FOREIGN INVESTMENT COMPANY (LAFICO)

— Guaranteed by —

## Libyan Arab Foreign Bank (LAFB)

### US \$ 250,000,000

### Medium Term Loan

— Lend managed by —

Arab Banking Corporation (ABC)

Banque Arabe et Internationale d'Investissement - B.A.I.I.

Crédit Lyonnais

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Arab Bank Limited

Banque Européenne de Tokyo

Gulf International Bank B.S.C.

AI-UBAF Group

— Managed by —

Arab Bank for Investment and Foreign Trade, Abu Dhabi

Arab International Bank, Cairo /

Banco Arabe Español, S.A.  
"Aresbank"

Arab Latin American Bank-ARLABANK-Bahrain

Banque Intercontinentale Arabe-

Banque Nationale de Paris  
European Arab Bank Group

Crédit Commercial de France (Bahrain Offshore Banking Unit)

State Bank of India

— Co-managed by —

Alshahi Bank of Kuwait K.S.C.

Al Bahrain Arab African Bank (E.C.)

"Al Baab"

Arab Turkish Bank

DG BANK Deutsche Genossenschaftsbank

Gulf Riyad Bank E.C.

— Funds provided by —

Arab Banking Corporation (ABC)

Arab Bank Limited - OBU - Bahrain

Banque Arabe et Internationale  
d'Investissement - B.A.I.I.

Banque Européenne de Tokyo

Crédit Lyonnais

Gulf International Bank B.S.C.

Kuwait Foreign Trading Contracting  
& Investment Co. (S.A.K.)

Arab Bank for Investment and Foreign  
Trade, Abu Dhabi

Banco Arabe Español, S.A.

Banque Intercontinentale Arabe

Banque Nationale de Paris - OBU - Bahrain

Crédit Commercial de France  
(Bahrain Offshore Banking Unit)

European Arab Bank Group "Middle East" E.C. State Bank of India

Alshahi Bank of Kuwait K.S.C.

Al Bahrain Arab African Bank (E.C.)  
"Al Baab"

Arab Turkish Bank

DG BANK INTERNATIONAL  
Société Anonyme

Gulf Riyad Bank E.C.

Arab International Bank, Cairo

Arab Latin American Bank - ARLABANK -  
Bahrain

Istituto Bancario San Paolo di Torino

Midland Bank Limited

UBAF Bank Limited

Union de Banques Arabes et Françaises  
UBAF Bahrain

The National Bank of Kuwait S.A.K.

Al Saudi Banque

Arab Hellenic Bank SA

The Arab Investment Company S.A.A.

Banco di Roma, London Branch

Banque Commerciale pour l'Europe du  
Nord (EUROBANK)

Moscow Narodny Bank Ltd  
Beirut Office

Sumitomo Finance (Asia) Limited

UBAF Arab German Bank  
Société Anonyme

UBAF - Arab Japanese Finance Limited

Arab Asian Bank E.C.

Sabah Jordan Investment Bank

The Arab Libyan Tunisian Bank SAL

Banque Audi S.A.L.

Arab Bank (Middle East) E.C.

MEBCO BANK - Middle East Banking  
Company SAL

Lavono Bank Overseas N.V.  
(BNL Group)

Arab Banking Corporation (ABC)  
Agent Bank



# Saga Petroleum offshoot in need of extra capital

By Fay Gjerstad in Oslo

SAGA PETROLEUM, Norway's largest private enterprise oil company, could soon be forced to provide substantial amounts of new equity for its loss-making petrochemical offshoot, Saga Petrokemj.

Three other Norwegian companies which have minority stakes in the company have refused to put more money in to Petrokemj because of the poor outlook for petrochemicals.

Additional capital is needed because creditors who provided the company with a \$75m loan some time ago stipulated that a certain ratio must always be maintained between capital and total debt. Petrokemj lost

Nkr 110m (\$19m) in 1981. The three minority partners who are now refusing to put more cash into Petrokemj are Dyna Industri, a manufacturer of plastics, chemicals and explosives, and two metallurgical firms, Hafslund and the state-owned Ardal og Sundal Verk.

A year ago, all three increased their stakes in the company from 8 per cent to 14.7 per cent each, but declined Saga Petroleum's offer to withdraw from the company entirely, a move which would have left them each with a one-third share.

Saga Petroleum apparently

is willing to provide fresh capital in proportion to its present 50 per cent shareholding in Petrokemj, but has yet to agree to put up the additional funds.

Petrokemj, which has a present capital of Nkr 500m, is responsible for operating three polyolefin plants near Rafnes, in east Norway, which it owns jointly with Statoil, Norway's State oil company, and Norsk Hydro, Norway's largest industrial group.

The plants are part of a petrochemical complex built in the second half of the 1970s to utilise natural gas liquids from Norway's Ekofisk field.

## Swiss banks told to disclose more

By John Wicks in Zurich

SWISS BANKS can no longer cover losses from unpublished reserves without revealing this in their profit-and-loss accounts. The Federal Banking Commission, which issued a circular in 1975, contends that the earlier practice had been interpreted too liberally by some banks and must now stop.

The circular had laid down that it was generally forbidden to carry out compensatory bookings between income and expenditure positions, but made an exception in the case of loss coverage and the creation of contingency reserves. Banks could, like other companies, off-set losses with unpublished reserves and provisions and with current income.

In recent years, however, the number of cases in which losses have gone unrecorded in a bank's annual accounts, following the use of hidden reserves, have steadily increased. The most notable instance was that of Swiss Volksbank, which in November disclosed that it had set aside a total of some Sfr 140m (\$77.3m) from unpublished reserves in 1980 and 1981 against "loss risks" in connection with forward trading silver.

In a letter to the Swiss Bankers' Association and individual banks, the Banking Commission suggests that in future any liquidation of unpublished reserves should figure in the profit-and-loss account under "miscellaneous" items.

## Exports boost electrical arm of Empain

By David White in Paris

JEUMONT-SCHNEIDER, the electrical engineering arm of the Empain-Schneider group, has announced that its 1981 results will show a sharp improvement, based on a big rise in export orders.

The company said that net earnings, after more than doubling the year before to FFr 52m (\$9.1m), would show a "clear progression."

In spite of having transferred its FFr 500m-a-year cable division to a joint venture controlled by Thomson-Brandt, Jeumont-Schneider produced turnover figures in line with the previous year's sales of FFr 3bn. On a comparable basis, this represented an increase of 17 per cent.

New orders reached FFr 3.3bn—an increase of 30 per cent on an equivalent basis. Export orders soared by 68 per cent to FFr 1.26bn. The company said that its expanding electronics activities now accounted for half its total activity.

The statement confirms the relative strength of this part of the Empain-Schneider group, which is in the throes of a Government-inspired reorganisation. The reorganisation affects the group's steel, machine tool, shipbuilding and nuclear activities.

● Fernand Ricard has increased his interim dividend to FFr 7.50 a share from FFr 7.00. Last month it was wrongly reported that the French drinks group had cut the 1981 interim payment.

## Sharp advance at Naarden

By Charles Batchelor in Amsterdam

NAARDEN INTERNATIONAL, the Dutch flavours and fragrances group, increased net profits to more than Fl 12m (\$4.6m) in 1981 from Fl 7.1m the year before. Turnover increased to more than Fl 500m (\$182m) compared with Fl 485m in 1980.

In the first six months of 1981 Naarden reported net profits more than doubled to Fl 8.4m on turnover of Fl 294m. Much of this improvement was attributed to currency fluctuations.

## Demag order intake rises

By Our Financial Staff

MANNESMANN-DEMAG, a subsidiary of the Mannesmann group of steel, pipemaking and heavy industrial companies, says its order intake totalled DM3.7bn (\$1.4bn) in 1981, up 6 per cent from 1980. Order inflow for industrial installations was boosted by contracts with the U.S. and the Soviet Union.

On standard products business, "pleasing" foreign orders failed to fully make up for a decline in domestic orders. Looking to 1982, Demag predicts that domestic business will pick up in the second half of the year. The company produces metal processing equipment, mining and construction equipment, and plastic forming machinery.

## THE ROYAL BANK OF CANADA

### NOTICE OF PARTIAL REDEMPTION TO THE HOLDERS OF 9% DEBENTURES DUE FEBRUARY 15, 1992 OF THE ROYAL BANK OF CANADA

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Trust Indenture bearing formal date of April 15, 1971 (as supplemented) and to the Fourth Supplemental Trust Indenture bearing formal date of February 9, 1977 (herein collectively referred to as the "Trust Indenture") between The Royal Bank of Canada (herein referred to as the "Bank") and Montreal Trust Company (herein referred to as the "Trustee"), as Trustee, providing *inter alia* for the creation and issue of 9% Debentures of the Bank, that C\$1,500,000 aggregate principal amount of 9% Debentures due February 15, 1992 of the Bank in coupon bearer form in the denomination of C\$1,000 each bearing the distinguishing letter "G" and the under-mentioned distinguishing numbers, namely:

00044	02180	04188	06175	08225	10284	12157	13761	18081	18109	18987	21834	22802	24896	27971	29751	31841	33883	35888	38942
00045	02208	04202	06187	08264	10306	12273	13840	18084	18115	19012	21841	22810	24904	27979	29759	31849	33891	35896	38950
00056	02234	04231	06202	08283	10325	12292	13859	18103	18130	19007	21856	22826	24920	27995	29775	31865	33907	35912	38966
00061	02261	04263	06229	08310	10352	12319	13886	18130	18157	19034	21883	22853	24947	28022	29802	31892	33934	35939	38993
00067	02284	04283	06235	08327	10343	12326	13904	18245	18195	19005	21903	22873	24957	28032	29812	31902	33947	35952	39006
00081	02305	04304	06256	08359	10375	12347	13929	18265	18215	19015	21925	22895	24979	28054	29834	31924	33969	35974	39028
00107	02331	04337	06287	08387	10405	12365	13951	18287	18237	19027	21945	22915	25000	28075	29855	31945	33990	35995	39049
00110	02355	04354	06299	08404	10422	12383	13975	18307	18257	19037	21965	22935	25020	28099	29879	31969	34014	36019	39073
00211	02398	04399	06366	08447	10451	12407	14002	18328	18278	19047	21995	22965	25050	28125	29905	32000	34045	36050	39104
00212	02402	04399	06366	08447	10451	12407	14002	18328	18278	19047	21995	22965	25050	28125	29905	32000	34045	36050	39104
00213	02406	04401	06370	08451	10454	12410	14005	18331	18281	19051	22000	22970	25055	28130	29910	32005	34050	36055	39109
00214	02410	04401	06370	08451	10454	12410	14005	18331	18281	19051	22000	22970	25055	28130	29910	32005	34050	36055	39109
00215	02414	04405	06374	08455	10458	12413	14008	18335	18284	19055	22004	22974	25059	28135	29915	32010	34055	36060	39114
00216	02418	04405	06374	08455	10458	12413	14008	18335	18284	19055	22004	22974	25059	28135	29915	32010	34055	36060	39114
00217	02422	04409	06378	08459	10461	12416	14011	18339	18288	19059	22008	22978	25063	28140	29920	32015	34060	36065	39119
00218	02426	04409	06378	08459	10461	12416	14011	18339	18288	19059	22008	22978	25063	28140	29920	32015	34060	36065	39119
00219	02430	04413	06382	08463	10464	12419	14014	18343	18292	19063	22012	22982	25067	28145	29925	32020	34065	36070	39124
00220	02434	04413	06382	08463	10464	12419	14014	18343	18292	19063	22012	22982	25067	28145	29925	32020	34065	36070	39124
00221	02438	04417	06386	08467	10468	12422	14017	18347	18296	19067	22016	22986	25071	28150	29930	32025	34070	36075	39129
00222	02442	04417	06386	08467	10468	12422	14017	18347	18296	19067	22016	22986	25071	28150	29930	32025	34070	36075	39129
00223	02446	04421	06390	08471	10471	12425	14021	18351	18300	19071	22020	22990	25075	28155	29935	32030	34075	36080	39134
00224	02450	04421	06390	08471	10471	12425	14021	18351	18300	19071	22020	22990	25075	28155	29935	32030	34075	36080	39134
00225	02454	04425	06394	08475	10475	12429	14025	18355	18304	19075	22024	22994	25079	28160	29940	32035	34080	36085	39139
00226	02458	04425	06394	08475	10475	12429	14025	18355	18304	19075	22024	22994	25079	28160	29940	32035	34080	36085	39139
00227	02462	04429	06398	08479	10479	12433	14029	18359	18308	19079	22028	22998	25083	28165	29945	32040	34085	36090	39144
00228	02466	04429	06398	08479	10479	12433	14029	18359	18308	19079	22028	22998	25083	28165	29945	32040	34085	36090	39144
00229	02470	04433	06402	08483	10483	12437	14033	18363	18312	19083	22032	23002	25087	28170	29950	32045	34090	36095	39149
00230	02474	04433	06402	08483	10483	12437	14033	18363	18312	19083	22032	23002	25087	28170	29950	32045	34090	36095	39149
00231	02478	04437	06406	08487	10487	12441	14037	18367	18316	19087	22036	23006	25091	28175	29955	32050	34095	36100	39154
00232	02482	04437	06406	08487	10487	12441	14037	18367	18316	19087	22036	23006	25091	28175	29955	32050	34095	36100	39154
00233	02486	04441	06410	08491	10491	12445	14041	18371	18320	19091	22040	23010	25095	28180	29960	32055	34100	36105	39159
00234	02490	04441	06410	08491	10491	12445	14041	18371	18320	19091	22040	23010	25095	28180	29960	32055	34100	36105	39159
00235	02494	04445	06414	08495	10495	12449	14045	18375	18324	19095	22044	23014	25100	28185	29965	32060	34105	36110	39164
00236	02498	04445	06414	08495	10495	12449	14045	18375	18324	19095	22044	23014	25100	28185	29965	32060	34105	36110	39164
00237	02502	04449	06418	08499	10499	12453	14049	18379	18328	19099	22048	23018	25105	28190	29970	32065	34110	36115	39169
00238	02506	04449	06418	08499	10499	12453	14049	18379	18328	19099	22048	23018	25105	28190	29970	32065	34110	36115	39169
00239	02510	04453	06422	08503	10503	12457	14053	18383	18332	19103	22052	23022	25110	28195	29975	32070	34115	36120	39174
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00241	02518	04457	06426	08507	10507	12461	14057	18387	18336	19107	22056	23026	25115	28200	29980	32075	34120	36125	39179
00242	02522	04457	06426	08507	10507	12461	14057	18387	18336	19107	22056	23026	25115	28200	29980	32075	34120	36125	39179
00243	02526	04461	06430	08511	10511	12465	14061	18391	18340	19111	22060	23030	25120	28205	29985	32080	34125	36130	39184
00244	02530	04461	06430	08511	10511	12465	14061	18391	18340	19111	22060	23030	25120	28205	29985	32080	34125	36130	39184
00245	02534	04465	06434	08515	10515	12469	14065	18395	18344	19115	22064	23034	25125	28210	29990	32085	34130	36135	39189
00246	02538	04465	06434	08515	10515	12469	14065	18395	18344	19115	22064	23034	25125	28210	29990	32085	34130	36135	39189
00247	02542	04469	06438	08519	10519	12473	14069	18399	18348	19119	22068	23038	25130	28215	29995	32090	34135	36140	39194
00248	02546	04469	06438	08519	10519	12473	14069	18399	18348	19119	22068	23038	25130	28215	29995	32090	34135	36140	39194
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00252	02562	04477	06446	08527	10527	12481	14077	18407	18356	19127	22076	23046	25140	28225	30000	32100	34145	36150	39204
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00254	02570	04481	06450	08531	10531	12485	14081	18411	18360	19131	22080	23050	25145	28230	30005	32105	34150	36155	39209
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00257	02582	04489	06458	08539	10539	12493	14089	18419	18368	19139	22088	23058	25155	28240	30015	32115	34160	36165	39219
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00260	02594	04493	06462	08543	10543	12497	14093	18423	18372	19143	22092	23062	25160	28245	30020	32120	34165	36170	39224
00261	02598	04497	06466	08547	10547	12501	14097	18427	18376	19147	22096	23066	25165	28250	30025	32125	34170	36175	39229
00262	02602	04497	06466	08547	10547	12501	14097	18427	18376	19147	22096	23066	25165	28250	30025	32125	34170	36175	39229
00263	02606	04501	06470	08551	10551	12505	14101	18431	18380	19151	22100	23070	25170						







# CURRENCIES, MONEY and GOLD

## Dollar eases

The dollar was mostly easier in currency markets yesterday as Euro-dollar rates fell following Monday's lower U.S. Federal funds rate.

Sterling was slightly firmer overall but finished below its best level, reflecting a weaker trend in UK interest rates. Trading was rather quiet.

The Belgian franc remained the weakest member of the European Monetary System. But showed a small improvement despite a cut in the discount and Lombard rates. Elsewhere, member currencies showed little overall change, with the French franc continuing as the strongest currency followed by the Dutch guilder.

**DOLLAR** — Trade-weighted index (Bank of England) 106.8 against 107.2 on Tuesday and 110.6 six months ago. Three month Treasury bill 11.50 per cent (11.34 per cent six months ago). Annual inflation rate 9.6 per cent (10.2 per cent previous month). The dollar slipped to DM 2.2465 against the D-mark from DM 2.2500 while the Swiss franc was lower at Sfr 1.4890 compared with Sfr 1.5110. It was slightly firmer against the Japanese yen however at ¥219.6 from ¥219.5.

**STERLING** — Trade-weighted index 81.5 against 81.5 at noon, 81.7 opening and 81.4 previous close (83.3 six months ago). Three month interbank 15.1 per cent (13.7 per cent six months ago). Annual inflation rate 12 per cent (11.7 per cent previous month). Sterling traded within a very narrow range in generally featureless trading. Against the dollar the spread for the day was only 1 per cent, between \$1.92 and \$1.93. It opened at \$1.9250 and touched \$1.93 before noon. It touched its low late in the afternoon and closed at \$1.9235-1.9245. The pound closed at DM 4.3250 against the D-mark, slightly down from DM 4.3275 on Tuesday and Sfr 4.3425 from Sfr 4.3650. It was firmer against the yen at ¥242.5 from ¥240.0.

**D-MARK** — EMS member (second weakest). Trade-weighted index 122.8 against 122.1 on Tuesday and 115.7 six months ago. Three-month interbank 10.55 per cent (12.95 per cent six months ago). Annual inflation 6.3 per cent (6.6 per cent previous month). The D-mark was firmer against the dollar at yesterday's closing in Frankfurt. The dollar was fixed at DM 2.2479 down from DM 2.2500 while the Swiss franc selling at a token \$2.65. Trading was rather quiet and the dollar traded within a narrow range. The weaker trend reflected an easing in Euro-dollar rates following a fall in Fed fund rates. Sterling slipped to DM 4.3240 from DM 4.3280 while the Swiss franc was lower at Sfr 1.4890 against DM 1.5000. Within the EMS the French franc fell to DM 39.5850 from DM 39.6000 and the Belgian franc lost ground to DM 5.8680 from DM 5.8740.

**BEIGIAN FRANC** — EMS member (weakest). Trade-weighted index 104.8 against 104.7 on Tuesday and 104.6 six months ago. Three-month interbank 15.1 per cent (13.7 per cent six months ago). Annual inflation 8.1 per cent (7.8 per cent previous month). The Belgian franc was slightly firmer against the D-mark yesterday despite a one point cut in the discount rate to 14 per cent and a two point cut in the Lombard rate to 15 per cent. However, figures released yesterday indicated that the Belgian central bank kept the equivalent of 100% of the last week's supporting the Belgian franc in the foreign exchange market. Within the EMS the D-mark rose to Bfr 17.04 from Bfr 17.03 and the French franc was higher at Bfr 6.7100 from Bfr 6.7140. On the other hand the Dutch guilder slipped to Bfr 15.5380 from Bfr 15.5380 and the Danish krone to Bfr 5.2137 from Bfr 5.2210.

**OTHER CURRENCIES** — The yen was firmer against the dollar at ¥242.5 from ¥240.0. The Swiss franc was lower at Sfr 1.4890 against DM 1.5000. Within the EMS the French franc fell to DM 39.5850 from DM 39.6000 and the Belgian franc lost ground to DM 5.8680 from DM 5.8740. The D-mark rose to Bfr 17.04 from Bfr 17.03 and the French franc was higher at Bfr 6.7100 from Bfr 6.7140. On the other hand the Dutch guilder slipped to Bfr 15.5380 from Bfr 15.5380 and the Danish krone to Bfr 5.2137 from Bfr 5.2210.

### THE POUND SPOT AND FORWARD

Jan 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.K.	1.9200-1.9300	1.9235-1.9245	0.35-0.25 pm	1.97	0.80-0.70 pm	1.56
Canada	2.20-2.22	2.20-2.22	0.10-0.05 pm	4.85	1.00-1.00 pm	4.31
France	4.70-4.72	4.71-4.72	2.1-1 pm	4.42	5.1-4 pm	4.21
Germany	3.50-3.52	3.51-3.52	30-50 pm	6.51	0.10-0.10 pm	5.70
Italy	1.200-1.210	1.205-1.210	0.20-0.10 pm	3.08	0.30-0.30 pm	1.28
Japan	230-232	231-232	0.20-0.10 pm	2.90	0.40-0.40 pm	2.72
W. Ger.	4.31-4.34	4.32-4.33	2.1-1 pm	8.85	5.4-4 pm	4.76
Portugal	125.00-126.00	125.40-125.70	20-15 pm	3.80	7.40-7.40 pm	7.73
Spain	165.00-166.00	165.60-165.80	20-50 pm	2.25	7.10-7.10 pm	1.94
Italy	2.20-2.22	2.21-2.22	12-15 pm	7.00	6.40-6.40 pm	1.85
Norway	11.12-11.18	11.13-11.14	21-15 pm	2.15	4.3-4 pm	1.44
France	10.80-11.00	10.90-10.95	10-15 pm	0.55	7-7 pm	1.46
Sweden	10.80-10.85	10.82-10.83	21-15 pm	2.40	6-6 pm	2.19
Denmark	3.50-3.52	3.51-3.52	30-50 pm	2.25	1.8-1.8 pm	1.56
Austria	30.20-30.35	30.22-30.23	15-10 pm	5.15	43-43 pm	5.02
Switzerland	3.45-3.48	3.47-3.48	21-15 pm	6.46	5.4-5 pm	5.05

### THE DOLLAR SPOT AND FORWARD

Jan 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.K.	1.9200-1.9300	1.9235-1.9245	0.35-0.25 pm	1.97	0.80-0.70 pm	1.56
Canada	2.20-2.22	2.20-2.22	0.10-0.05 pm	4.85	1.00-1.00 pm	4.31
France	4.70-4.72	4.71-4.72	2.1-1 pm	4.42	5.1-4 pm	4.21
Germany	3.50-3.52	3.51-3.52	30-50 pm	6.51	0.10-0.10 pm	5.70
Italy	1.200-1.210	1.205-1.210	0.20-0.10 pm	3.08	0.30-0.30 pm	1.28
Japan	230-232	231-232	0.20-0.10 pm	2.90	0.40-0.40 pm	2.72
W. Ger.	4.31-4.34	4.32-4.33	2.1-1 pm	8.85	5.4-4 pm	4.76
Portugal	125.00-126.00	125.40-125.70	20-15 pm	3.80	7.40-7.40 pm	7.73
Spain	165.00-166.00	165.60-165.80	20-50 pm	2.25	7.10-7.10 pm	1.94
Italy	2.20-2.22	2.21-2.22	12-15 pm	7.00	6.40-6.40 pm	1.85
Norway	11.12-11.18	11.13-11.14	21-15 pm	2.15	4.3-4 pm	1.44
France	10.80-11.00	10.90-10.95	10-15 pm	0.55	7-7 pm	1.46
Sweden	10.80-10.85	10.82-10.83	21-15 pm	2.40	6-6 pm	2.19
Denmark	3.50-3.52	3.51-3.52	30-50 pm	2.25	1.8-1.8 pm	1.56
Austria	30.20-30.35	30.22-30.23	15-10 pm	5.15	43-43 pm	5.02
Switzerland	3.45-3.48	3.47-3.48	21-15 pm	6.46	5.4-5 pm	5.05

### CURRENCY MOVEMENTS

Jan. 6	Bank of England	Morgan Guaranty	Jan. 5	Bank of England	Morgan Guaranty
Sterling	11.5	11.5	Sterling	11.5	11.5
Canada	11.5	11.5	Canada	11.5	11.5
France	11.5	11.5	France	11.5	11.5
Germany	11.5	11.5	Germany	11.5	11.5
Italy	11.5	11.5	Italy	11.5	11.5
Japan	11.5	11.5	Japan	11.5	11.5
W. Ger.	11.5	11.5	W. Ger.	11.5	11.5
Portugal	11.5	11.5	Portugal	11.5	11.5
Spain	11.5	11.5	Spain	11.5	11.5
Italy	11.5	11.5	Italy	11.5	11.5
Norway	11.5	11.5	Norway	11.5	11.5
France	11.5	11.5	France	11.5	11.5
Sweden	11.5	11.5	Sweden	11.5	11.5
Denmark	11.5	11.5	Denmark	11.5	11.5
Austria	11.5	11.5	Austria	11.5	11.5
Switzerland	11.5	11.5	Switzerland	11.5	11.5

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### EMS EUROPEAN CURRENCY UNIT RATES

ECU	Central rates	Jan 6	Jan 5	% change	Jan 6	Jan 5	% change
Belgian franc	40.7572	41.6401	41.6401	-2.17	41.6401	41.6401	-2.17
Dutch guilder	7.3117	7.3117	7.3117	-0.01	7.3117	7.3117	-0.01
French franc	6.5596	6.5596	6.5596	-0.01	6.5596	6.5596	-0.01
German mark	1.9363	1.9363	1.9363	-0.01	1.9363	1.9363	-0.01
Italian lira	1.3667	1.3667	1.3667	-0.01	1.3667	1.3667	-0.01
Portuguese escudo	200.482	200.482	200.482	-0.01	200.482	200.482	-0.01
Spanish peseta	166.639	166.639	166.639	-0.01	166.639	166.639	-0.01
Swiss franc	2.20371	2.20371	2.20371	-0.01	2.20371	2.20371	-0.01

### EXCHANGE CROSS RATES

Jan 6	Jan 5	% change
U.S. dollar	1.9235	-0.01
Swiss franc	1.4890	-0.01
Japanese yen	242.5	-0.01
West German mark	3.51	-0.01
French franc	6.71	-0.01
Italian lira	1.3667	-0.01
Portuguese escudo	200.482	-0.01
Spanish peseta	166.639	-0.01
Dutch guilder	7.3117	-0.01

### FT LONDON INTERBANK FIXING (11.00 a.m. JANUARY 6)

3 months U.S. dollars	6 months U.S. dollars
14.15-14.16	14.17-14.18
14.17-14.18	14.19-14.20

### EURO-CURRENCY INTEREST RATES (Market closing Rates)

Jan 6	Jan 5	% change
3 months	14.15	-0.01
6 months	14.17	-0.01
12 months	14.19	-0.01
18 months	14.21	-0.01
24 months	14.23	-0.01
30 months	14.25	-0.01
36 months	14.27	-0.01
42 months	14.29	-0.01
48 months	14.31	-0.01
54 months	14.33	-0.01
60 months	14.35	-0.01

### MONEY MARKETS

**London clearing bank base**  
Lending rates 14 1/4 per cent (since December 4)  
Short-term interest rates eased slightly in quiet London money market trading, following the better than expected provisional money supply figures from the Bank of England earlier this week and the downward trend in U.S. interest rates. The Federal funds overnight rate fell to 11 1/2 per cent on Tuesday, and remained soft at around 11 per cent early yesterday, prompting intervention by the New York Federal Reserve Bank to drain reserves by way of overnight repurchase agreements.

The supply of money was probably slightly above the market's requirements in London yesterday, and the Bank of England did not intervene. In its morning forecast the Bank of England suggested that the underlying surplus was around £80m, and that the major factors were: bills maturing in official hands and a net take-up in Treasury bills, -£230m; and a fall in the note circulation, +£115m. In commodity markets, conditions were mixed. Money fell to 14 1/4-14 1/2 per cent from 14 1/2-15 1/4 per cent, and three-month to 15 1/4-15 1/2 per cent from 15 1/4-15 1/2 per cent.

### GOLD

#### Slight fall

Gold fell \$3 an ounce in the London bullion market yesterday to close at \$402.40. Trading was again dull and featureless, and after opening at \$401.40, the metal was fixed at \$402 in the morning and \$401.5 in the afternoon. In Paris the 12 1/2 kilo bar was fixed at \$402.40, compared with \$401.40-1.40 on Tuesday afternoon. In Zurich gold finished at \$400.40 compared with \$402.40-5.

Jan 6	Jan 5	% change
Gold Bullion (fine ounce)	402.40	-0.01
Gold Bars (100g)	402.40	-0.01
Gold Bars (1kg)	402.40	-0.01
Gold Bars (10kg)	402.40	-0.01
Gold Bars (100kg)	402.40	-0.01
Gold Bars (1000kg)	402.40	-0.01
Gold Bars (10000kg)	402.40	-0.01
Gold Bars (100000kg)	402.40	-0.01
Gold Bars (1000000kg)	402.40	-0.01
Gold Bars (10000000kg)	402.40	-0.01
Gold Bars (100000000kg)	402.40	-0.01
Gold Bars (1000000000kg)	402.40	-0.01

### MONEY RATES

Jan 6	Jan 5	% change
Overnight	11.5	-0.01
3 months	14.15	-0.01
6 months	14.17	-0.01
12 months	14.19	-0.01
18 months	14.21	-0.01
24 months	14.23	-0.01
30 months	14.25	-0.01
36 months	14.27	-0.01
42 months	14.29	-0.01
48 months	14.31	-0.01
54 months	14.33	-0.01
60 months	14.35	-0.01

### LONDON MONEY RATES

Jan 6	Jan 5	% change
Overnight	11.5	-0.01
3 months	14.15	-0.01
6 months	14.17	-0.01
12 months	14.19	-0.01
18 months	14.21	-0.01
24 months	14.23	-0.01
30 months	14.25	-0.01
36 months	14.27	-0.01
42 months	14.29	-0.01
48 months	14.31	-0.01
54 months	14.33	-0.01
60 months	14.35	-0.01

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**INTX Trading begins June 17, 1982**

For the complete INTX story, see page 26.







# Mystery buyer boosts U.S. tin stockpile sales

BY NANCY DUNNE IN WASHINGTON

THE "MYSTERY" buyer now holding up spot prices on the London tin market has apparently stimulated a boom in tin stockpile sales from the U.S. strategic materials stockpile.

Since the General Services Administration removed its restriction on exports of GSA tin on December 14, the Agency has sold 3,140 tonnes, valued at almost \$60m.

The GSA sales have been proceeding very slowly before the rule change. Authorised to sell 10,000 tonnes a year for three years, the agency had disposed of only 3,170 in the previous 15 months.

A GSA spokesman attributed the boom to machinations in the London market.

"Obviously, we're cutting in on whoever these buyers are,"

he said. "We don't know if we can keep it up because we don't know these people's resources. But it amazes me to see how much money they seem to have available."

He said that more than half the GSA tin is being bought for export, mostly to Europe.

"We believe most of our tin is going into use," he said. "It doesn't have to be mined and you can get it in 30 days."

The GSA price is a good one. On Tuesday the agency sold 180 tonnes at its daily offering for \$708 a pound. The London spot price then stood at \$748 a pound and the New York price at about \$723 a pound.

Most of the buyers are New York traders with affiliates in London. Among the most active are: Ore and Chemicals

In New York, which is controlled by Metallgesellschaft, the Associated Metals and Minerals Corp., a member of the Lissauer Group, Amalgamated Metals, a large international tin trader, and Bilton, owned by Royal Dutch Shell.

Last July, Associated Metals went to court to try to stop the GSA tin sales, but, reportedly, the firm is now buying government tin because it is cheaper to purchase than to produce.

Proceeds from the tin sales go to the Stockpile Transaction Fund to buy new materials for the stockpile.

Last year the agency earned \$82m from the sale of several commodities, including \$63m for tin and \$18m for silver.

## Speculators hit lead and zinc

By Our Commodities Staff

SPECULATIVE SELLING pushed lead and zinc prices lower on the London Metal Exchange yesterday, overwhelming the bullish impact of Tuesday's news that workers at the Republic of Ireland's Tara lead-zinc mine had decided to continue their 10-month-old strike.

Cash lead ended \$25 down at \$331 a tonne and cash zinc \$17 down at \$437.50 a tonne.

Australian Mining and Smelting (Europe), whose Ararat smelter is a big user of Tara zinc production, said the strike could have a serious effect on the European zinc industry if it is not resolved soon. A company official said he was surprised at the apparent lack of concern shown by other European smelters over the strike at Tara's Navan mine, which supplied around 10 per cent of Europe's zinc concentrate requirements.

The copper and tin markets were quiet and featureless. Cash copper wirebars ended \$12 down at \$245.50 a tonne while standard tin rose \$2 to \$2,802.50 a tonne.

News of cutbacks at Inco's Sudbury, Ontario, operation and rumours of a similar move coming at Falconbridge of Canada lifted nickel prices. The cash quotation on the LME ended \$25 up at \$2,900 a tonne.

BP in eel marketing scheme

By Diana Smith in Lisbon

British Petroleum and Emenco, a Portuguese holding company, have begun exporting live eels to Holland. This unusual joint venture is part of BP's diversification programme, and was co-ordinated by the oil group's Dutch subsidiary, Hendrik, which, among other items, manufactures food for fish.

The venture began two years ago when BP of Portugal and its local partners set up indoor and outdoor tanks to breed and fatten up eels to the standards appreciated by the Dutch, who are big consumers of smoked eels. The first export of 5 tonnes (about 40,000 eels) was made before Christmas in eel-tanker lorries owned by their clients.

## Wheat supply optimism

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I LEARNED many years ago that the only certain forecast that could be made about commodity trends and prices was that they would move up and down—although the timing of the cycle is always in doubt and that they depend on supply and demand.

That does not prevent many people from attempting the exercise, and the latest was M Jean Parotte the executive secretary of the International Wheat Council addressing a growers' meeting in Canada this week.

In his analysis of wheat prospects he refuted the scare-monger thesis of those who believe that increasing populations will run out of food or even space on which to grow it. He believed that the potential for bringing new land into production had not yet been achieved by a very wide margin, and that there could be a continuation in the steady improvement in yields of the last 20 years.

This has resulted in a near doubling of wheat production from 250m to 450m tonnes world wide, not only in the traditional exporting countries but in countries previously importers such as India and Pakistan. World trade has kept pace and exports have grown from 43m tonnes in 1961 to 100m tonnes in 1981-82.

In the 1960s the USSR was a regular exporter but is now one of the biggest importers. But M Parotte did not think that either the USSR or the other centrally planned countries wished that situation to continue as they could well achieve self-sufficiency by the end of the century.

The main deficit was in the developing countries of Africa and south-east Asia, where consumption of wheat was growing with urbanisation. Unfortunately these countries were very poor and their opportunities of importing wheat depended in part on aid from the richer countries.

The main scope lay in what he called the middle-income

countries. Some of these had been industrialised like South Korea and Hong Kong and were already substantial wheat consumers. He thought increasing prosperity would turn them towards meat as well as replacing coarse grains with wheat.

In short, a general increase in consumption which was likely to be more than matched by production. He claimed also in real terms the value of wheat 1910 would still be falling.

The only question I have about this scenario is that the increase in wheat production we have seen lately has been due to an increasing use of energy-based inputs. There is some evidence that in the U.S. and other countries the continuing increase in production would be contingent on a higher price for farmers either in the market or through government support to pay for all these inputs. The low-grade prices may not be as permanent as M Parotte thinks.

Canadian grain sales on target

WINNIPEG—The Canadian Wheat Board said exports of Western Canadian grain reached the interim target of 10.8m tonnes for the five-month period ending December 31 1981.

Wheat Board figures show that loadings of Western Canadian bulk grain to export vessels reached 10.83m tonnes on December 31, the board said in a news release.

That does not include products such as flour or export of Eastern Grain, which normally are included in Canadian export statistics, it said.

Last autumn, following the harvest of a record prairie grain crop, the board announced an export target of 26m tonnes of western grains, oilseeds and products for the 1981-82 crop year, which ends on July 31, it said.

The target is 13 per cent higher than the previous record set in 1979-80. Reuters

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## More Thai tapioca sold

BANGKOK

—Thai tapioca exports last year rose to 6.7m tonnes valued at \$732.9m or 19.1m tonnes and \$36.8m more than the previous year, the foreign trade department said.

Of last year's exports, 6.35m tonnes were in the form of pellets and chips valued at \$667.4m and \$16.6m tonnes were in the form of flour, worth \$55.4m.

The EEC remained Thailand's most important buyer last year, with 5.3m tonnes shipped against 5.8m tonnes approved for export.

Main buyers outside EEC last year were the Soviet Union with 311,900 tonnes, Taiwan, 92,350 tonnes and South Korea, 85,290 tonnes.

The Thai cabinet has approved a recommendation that Thai tapioca products be barred for Soviet fertiliser.

The quantities involved are 500,000 tonnes of tapioca products against 51,968 tonnes of fertiliser. The deputy Agriculture Minister estimated the value of the fertiliser at over \$10m and added that a barter agreement will be signed very soon. Reuters

## Japan pulp makers in tree project

TOKYO

—The Japanese paper pulp industry is now studying the possibility of an important afforestation project in South-East Asia in order to secure paper pulp materials, the industry confirmed yesterday.

An official of the Japan Overseas Afforestation Association told Kyodo News agency that the first phase of the project calls for afforestation of 120,000 hectares of land in four places—Mindanao in the Philippines, Borneo in Indonesia, Open Bar in Papua New Guinea and Guadacanal in the Solomon Islands.

The Japanese industry plans to invest over ¥20bn (\$90m) in the first phase to produce 2m cubic metres of pulp annually over a period of 10 or 15 years, amounting for some 15 per cent of Japan's annual pulp imports.

Japan is the world's second largest producer of paper pulp. It is the first phase work out smoothly the second phase will be undertaken on a scale three to five times larger than the first, he said.

In Mindanao where the project will be carried out on the largest scale, Philippine Industrial Corporation (Picop), the Philippines' largest paper maker, has proposed the establishment of a joint venture

for the afforestation and the Japanese companies are studying the possibility of establishing such a venture with Sornam Corporation, the parent company of Picop.

The association, made up of 11 of the largest Japanese paper pulp manufacturers, will seek low interest financing from the governmental Japan International Co-operation Agency and Overseas Economic Co-operation Fund. Fact-finding missions will be sent to the four places in June for the project.

Advertisements award for wool

THE INTERNATIONAL Wool Secretariat has won a first-place award at the 11th annual U.S. television commercial film festival. Its winning advertisement gained the women's category award. It was for Woolmark knitwear.

Emphasising the long-lasting good looks of pure new wool knitwear, this was the latest in its sheep commercials series and was chosen to head the secretariat's autumn television campaign. There were more than 1,500 entries to the festival.

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## New Zealand Meat exports at record levels

BY DAI HAYWARD IN WELLINGTON

MEAT shipments from New Zealand reached a record 767,370 tonnes in the season just ended. This was a jump of 33,920 tonnes over the previous year.

More than half of the meat shipped to 36 different countries around the world was lamb. Total lamb shipments of 378,944 tonnes were up by 28,742. But, in spite of the increase in lamb shipments, the tonnage sent to the UK—almost a century NZ's main customer—dropped by 30,000 tonnes. This was because of better prices and a growing demand from Middle East countries.

The implementation of the EEC sheepmeat regulation and the seamen's strike in February also caused a distortion in the market, which contributed to the drop in supplies to the UK. Total shipments of lamb to Britain during the season was 151,952 tonnes. The NZ meat industry plans to increase lamb exports to the UK in the 1982-83 season. A minimum target of 175,000 tonnes has been set by the Meat Board

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## BRITISH COMMODITY MARKETS

### BASE METALS

Cash metal prices were generally lower on the London Metal Exchange, led by sharply depressed heavy U.S. and Canadian zinc which lowered three months to \$246 per tonne, down from \$250. Zinc dropped to \$240 and closed at \$243.5 as demand decreased. Production cutbacks by Inco in Canada and rumours of reduced production at Falconbridge in Canada, which was finally \$250. Tin reduced to \$2,800, Aluminium at \$2,008.5 and Copper at \$277, the last-named having traded in a narrow range.

COPPER Official + or - Business Done  
Jan 1982 277.00 -1.00 276.00  
Feb 1982 277.00 -1.00 276.00  
Mar 1982 277.00 -1.00 276.00  
Apr 1982 277.00 -1.00 276.00  
May 1982 277.00 -1.00 276.00  
Jun 1982 277.00 -1.00 276.00  
Jul 1982 277.00 -1.00 276.00  
Aug 1982 277.00 -1.00 276.00  
Sep 1982 277.00 -1.00 276.00  
Oct 1982 277.00 -1.00 276.00  
Nov 1982 277.00 -1.00 276.00  
Dec 1982 277.00 -1.00 276.00

Aluminium Official + or - Business Done  
Jan 1982 2008.50 -0.50 2008.00  
Feb 1982 2008.50 -0.50 2008.00  
Mar 1982 2008.50 -0.50 2008.00  
Apr 1982 2008.50 -0.50 2008.00  
May 1982 2008.50 -0.50 2008.00  
Jun 1982 2008.50 -0.50 2008.00  
Jul 1982 2008.50 -0.50 2008.00  
Aug 1982 2008.50 -0.50 2008.00  
Sep 1982 2008.50 -0.50 2008.00  
Oct 1982 2008.50 -0.50 2008.00  
Nov 1982 2008.50 -0.50 2008.00  
Dec 1982 2008.50 -0.50 2008.00

Lead Official + or - Business Done  
Jan 1982 1185.00 -0.50 1184.50  
Feb 1982 1185.00 -0.50 1184.50  
Mar 1982 1185.00 -0.50 1184.50  
Apr 1982 1185.00 -0.50 1184.50  
May 1982 1185.00 -0.50 1184.50  
Jun 1982 1185.00 -0.50 1184.50  
Jul 1982 1185.00 -0.50 1184.50  
Aug 1982 1185.00 -0.50 1184.50  
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Oct 1982 1185.00 -0.50 1184.50  
Nov 1982 1185.00 -0.50 1184.50  
Dec 1982 1185.00 -0.50 1184.50

Lead-Morning: Cash 1241.00, 41.50, three months 1268.00, 58.00, 57.00, 56.00, 55.00, 54.00, 53.00, 52.00, 51.00, 50.00, 49.00, 48.00, 47.00, 46.00, 45.00, 44.00, 43.00, 42.00, 41.00, 40.00, 39.00, 38.00, 37.00, 36.00, 35.00, 34.00, 33.00, 32.00, 31.00, 30.00, 29.00, 28.00, 27.00, 26.00, 25.00, 24.00, 23.00, 22.00, 21.00, 20.00, 19.00, 18.00, 17.00, 16.00, 15.00, 14.00, 13.00, 12.00, 11.00, 10.00, 9.00, 8.00, 7.00, 6.00, 5.00, 4.00, 3.00, 2.00, 1.00, 0.00, -1.00, -2.00, -3.00, -4.00, -5.00, -6.00, -7.00, -8.00, -9.00, -10.00, -11.00, -12.00, -13.00, -14.00, -15.00, -16.00, -17.00, -18.00, -19.00, -20.00, -21.00, -22.00, -23.00, -24.00, -25.00, -26.00, -27.00, -28.00, -29.00, -30.00, -31.00, -32.00, -33.00, -34.00, -35.00, -36.00, -37.00, -38.00, -39.00, -40.00, -41.00, -42.00, -43.00, -44.00, -45.00, -46.00, -47.00, -48.00, -49.00, -50.00, -51.00, -52.00, -53.00, -54.00, -55.00, -56.00, -57.00, -58.00, -59.00, -60.00, -61.00, -62.00, -63.00, -64.00, -65.00, -66.00, -67.00, -68.00, -69.00, -70.00, -71.00, -72.00, -73.00, -74.00, -75.00, -76.00, -77.00, -78.00, -79.00, -80.00, -81.00, -82.00, -83.00, -84.00, -85.00, -86.00, -87.00, -88.00, -89.00, -90.00, -91.00, -92.00, -93.00, -94.00, -95.00, -96.00, -97.00, -98.00, -99.00, -100.00, -101.00, -102.00, -103.00, -104.00, -105.00, -106.00, -107.00, -108.00, -109.00, -110.00, -111.00, -112.00, -113.00, -114.00, -115.00, -116.00, -117.00, -118.00, -119.00, -120.00, -121.00, -122.00, -123.00, -124.00, -125.00, -126.00, -127.00, -128.00, -129.00, -130.00, -131.00, -132.00, -133.00, -134.00, -135.00, -136.00, -137.00, -138.00, -139.00, -140.00, -141.00, -142.00, -143.00, -144.00, -145.00, -146.00, -147.00, -148.00, -149.00, -150.00, -151.00, -152.00, -153.00, -154.00, -155.00, -156.00, -157.00, -158.00, -159.00, -160.00, -161.00, -162.00, -163.00, -164.00, -165.00, -166.00, -167.00, -168.00, -169.00, -170.00, -171.00, -172.00, -173.00, -174.00, -175.00, -176.00, -177.00, -178.00, -179.00, -180.00, -181.00, -182.00, -183.00, -184.00, -185.00, -186.00, -187.00, -188.00, -189.00, -190.00, -191.00, -192.00, -193.00, -194.00, -195.00, -196.00, -197.00, -198.00, -199.00, -200.00, -201.00, -202.00, -203.00, -204.00, -205.00, -206.00, -207.00, -208.00, -209.00, -210.00, -211.00, -212.00, -213.00, -214.00, -215.00, -216.00, -217.00, -218.00, -219.00, -220.00, -221.00, -222.00, -223.00, -224.00, -225.00, -226.00, -227.00, -228.00, -229.00, -230.00, -231.00, -232.00, -233.00, -234.00, -235.00, -236.00, -237.00, -238.00, -239.00, -240.00, -241.00, -242.00, -243.00, -244.00, -245.00, -246.00, -247.00, -248.00, -249.00, -250.00, -251.00, -252.00, -253.00, -254.00, -255.00, -256.00, -257.00, -258.00, -259.00, -260.00, -261.00, -262.00, -263.00, -264.00, -265.00, -266.00, -267.00, -268.00, -269.00, -270.00, -271.00, -272.00, -273.00, -274.00, -275.00, -276.00, -277.00, -278.00, -279.00, -280.00, -281.00, -282.00, -283.00, -284.00, -285.00, -286.00, -287.00, -288.00, -289.00, -290.00, -291.00, -292.00, -293.00, -294.00, -295.00, -296.00, -297.00, -298.00, -299.00, -300.00, -301.00, -302.00, -303.00, -304.00, -305.00, -306.00, -307.00, -308.00, -309.00, -310.00, -311.00, -312.00, -313.00, -314.00, -315.00, -316.00, -317.00, -318.00, -319.00, -320.00, -321.00, -322.00, -323.00, -324.00, -325.00, -326.00, -327.00, -328.00, -329.00, -330.00, -331.00, -332.00, -333.00, -334.00, -335.00, -336.00, -337.00, -338.00, -339.00, -340.00, -341.00, -342.00, -343.00, -344.00, -345.00, -346.00, -347.00, -348.00, -349.00, -350.00, -351.00, -352.00, -353.00, -354.00, -355.00, -356.00, -357.00, -358.00, -359.00, -360.00, -361.00, -362.00, -363.00, -364.00, -365.00, -366.00, -367.00, -368.00, -369.00, -370.00, -371.00, -372.00, -373.00, -374.00, -375.00, -376.00, -377.00, -378.00, -379.00, -380.00, -381.00, -382.00, -383.00, -384.00, -385.00, -386.00, -387.00, -388.00, -389.00, -390.00, -391.00, -392.00, -393.00, -394.00, -395.00, -396.00, -397.00, -398.00, -399.00, -400.00, -401.00, -402.00, -403.00, -404.00, -405.00, -406.00, -407.00, -408.00, -409.00, -410.00, -411.00, -412.00, -413.00, -414.00, -415.00, -416.00, -417.00, -418.00, -419.00, -420.00, -421.00, -422.00, -423.00, -424.00, -425.00, -426.00, -427.00, -428.00, -429.00, -







# AUTHORISED UNIT TRUSTS

Allen Hurst Yt. Mgmt. Co.			
72nd St., New York, N.Y. 10023			
(212) 696-2200			
Common Stock	100	99	99
Preferred Stock	100	100	100
Dividend Yield	100	100	100
Dividend Payout	100	100	100
Dividend Growth	100	100	100
Dividend Frequency	100	100	100
Dividend History	100	100	100
Dividend Policy	100	100	100
Dividend Risk	100	100	100
Dividend Outlook	100	100	100
Dividend Summary	100	100	100
Dividend Index	100	100	100
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Dividend Sortino	100	100	100
Dividend Calmar	100	100	100
Dividend Omega	100	100	100
Dividend Information Ratio	100	100	100
Dividend Alpha	100	100	100
Dividend Beta	100	100	100
Dividend Correlation	100	100	100
Dividend Volatility	100	100	100
Dividend Skewness	100	100	100
Dividend Kurtosis	100	100	100
Dividend Jaroslawski	100	100	100
Dividend Jensen	100	100	100
Dividend Treynor	100	100	100
Dividend Sharpe	100	100	100
Dividend Sortino	100	100	100
Dividend Calmar	100	100	100
Dividend Omega	100	100	100
Dividend Information Ratio	100	100	100

## FT UNIT TRUST INFORMATION SERVICE

[illegible]

# INSURANCE PROPERTY BONDS

Abbey Life Assurance Co., Ltd.		OL	
1-3 St. Paul's Churchyard, E.C4			
Equity Fund	147.5		
Equity Acc.	45.3		
Property Fd.	224.7		
Property Acc.	261.6		
Selective Fund	140.6		
Convertible Fund	177.2		

[illegible]







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# W. Germany in aid offer to Poland

BY JONATHAN CARR IN BONN

WEST GERMANY is ready to work with its Western partners to give "substantial financial aid" to Poland if Warsaw's military leadership permits a return to economic and social reform.

Herr Hans Dietrich Genscher, the Federal Republic's Foreign Minister, made this pledge in a speech yesterday shortly after his return from talks with Chancellor Helmut Schmidt and President Reagan in Washington.

Herr Genscher strongly urged the Polish leaders to take the aid offer seriously, and to back up with deeds their repeated words about returning to a policy of reform and renewal. He made it clear this involved

lifting martial law, releasing those detained since the state of emergency was imposed on December 13, and permitting further dialogue with the Solidarity union and the Catholic Church.

These demands were made by the EEC countries after a meeting of Foreign Ministers in Brussels on Monday and in the statement issued by Herr Schmidt and President Reagan after their talks in Washington on Tuesday.

Bonn made it clear last month that it will withhold new economic aid to Poland "so long as the repressive measures there persist."

Herr Genscher's latest speech puts a much stronger emphasis

on the prospect of assistance—reflecting Bonn's belief that this, rather than imposition of economic sanctions, can bring a change in Warsaw's present course.

Herr Genscher did not specify the amount of aid he had in mind. It is known that Bonn already has about DM 1bn (\$320m) in the 1982 budget earmarked to cover payments of state guarantees on commercial credits given to the Poles.

It is believed that provision has also been made elsewhere in the budget for aid to Poland, but its existence has not officially been acknowledged.

Herr Genscher's return from the U.S. coincided with renewed attacks from the Bonn Opposi-

tion on the Government's policy over Poland, particularly from the Bavarian leader, Herr Franz Josef Strauss.

He accused Bonn of destroying West Germany's standing in the Atlantic alliance, offending President Reagan and, of "crawling on the floor" before Communist power politics.

Herr Genscher said that events this week showed Bonn agreed with both its European and U.S. partners about Poland. He warned against artificially talking a "crisis of the Communist system" into a crisis of the West.

Reginald Dale, U.S. Editor, adds from Washington: Mr. Alexander Haig, the State Secretary, said President

Reagan and Chancellor Schmidt had agreed in their talks here on Tuesday that the U.S.-Soviet negotiations in Geneva on European nuclear missiles should go ahead despite the Polish crisis.

The talks on intermediate-range missiles were "in a very special category of East-West relations."

Mr. Haig, who had a separate meeting with Herr Schmidt in Washington yesterday, said he was inclined to go ahead with his planned meeting with Mr. Andrei Gromyko, the Soviet Foreign Minister, in Geneva on January 27. The two men are due to explore the possibility of a new round of strategic arms limitation talks.

Crisis in Poland, Page 2

## Spending in Ulster to be raised by £90m

By Brendan Keenan

THE GOVERNMENT will increase its spending in Northern Ireland in the coming financial year by £90m over the level laid down in the recent public spending White Paper.

The increase, announced by Mr. James Prior, the Northern Ireland Secretary in Belfast yesterday, means that Government spending in Ulster in the next financial year will be just over £3.5bn. This is 8 per cent up on the expected 1981-82 out-turn and 3 per cent higher than the White Paper figure.

Housing and youth employment training will take priority in the programme. In addition, an extra £12m will be provided for the security services, mostly for extra police and prison staff.

Agriculture, Ulster's biggest industry, will receive an extra £12m and the social services £12m.

The Housing Executive will have an extra £50m to spend. This includes government funds, EEC grants of £16m and revenue from house sales.

This should enable 4,500 houses to be started this year. Mr. Prior hopes to achieve a sustained programme of 5,000 starts a year, which the executive believes is necessary to make an impact on the housing problem.

Northern Ireland will also get a Youth Training Programme a year ahead of the rest of the UK. Under the scheme, all 16-year-old school leavers will be given the opportunity of a year's full-time training.

Mr. Prior said he was beginning a campaign aimed at leading British manufacturers to attract more investment to Northern Ireland. An estimated £200m had been earmarked for industrial support and electricity charges were being pegged.

He said it would be some weeks before he was ready to announce any political initiative.

## Continued from Page 1

### Ford

would not call off their action until the announcement of the ballot result.

Mr. Steve Broadbent, the Mallow body plant convenor, said that the men would not call off their action without holding a fresh vote, possibly at a mass meeting on Friday.

Some 1,600 Ford workers at Swansea also went on unofficial strike yesterday after voting by a large majority to throw out the deal. But they are expected to accept a majority verdict and return to work on Friday.

### HOW THEY VOTED

For the pay offer

Plant	Total employees
Aveley	750
Basildon	2,410
—tractors	670
—radiators	280
Croydon	280
Dagenham	2,400
—Assembly (day shift)	3,000
—Engine (day shift)	3,240
—Foundry	800
—Trim	1,100
Daventry	1,300
Enfield	1,200
Leamington	1,100
Southampton	3,600
Treforest	250
Woolwich	400
Total	22,500

Against	Total
Belfast	1,200
Brigden	1,600
Dagenham—car kits	750
Mallow	5,100
—Assembly	5,100
—Body	4,900
Swansea	7,660
Total	15,210

Plants which had not yet voted last night: the night shifts at Dagenham's assembly works (2,300), body shop (2,900) and engine divisions (2,000); Mallow's transmission plant (1,850) and Langley (2,300). The day shift at the Dagenham body plant was said to have recorded a "split" vote.

## France ends 6-month price freeze

BY DAVID HOUSEGO IN PARIS

The French Government yesterday unveiled plans aimed at bringing down inflation from 1981's 14 per cent to 10 per cent by the end of 1982. The policy combines the unfreezing of prices of a substantial number of services, which were frozen for six months last October, with price moderation agreements between the authorities and specific sectors.

M. Jacques Delors, Finance Minister, who set out the strategy at the weekly Cabinet meeting yesterday, is hoping to persuade the unions to accept lower wages settlements in return for the continued limitation of price increases.

Manufacturing industry is to be exempt from controls be-

cause of the need to rebuild profit margins. Companies are still being asked, however, to moderate their price increases.

Relaxation of the six-month freeze on many service sector prices will apply to those industries which agreed to limit price rises this year, the Finance Ministry said.

Among those which have already agreed to keep their total price increases to 10 per cent this year are the hotel and restaurant industries, dry cleaners and car repairers.

The Government is hoping to reach similar accords with some 15 other service groups.

Retailers are also being pressed to accept a voluntary "price truce" under which they

undertake to freeze the prices of a wide range of consumer goods for three months. This is being backed by an extensive radio and television publicity campaign.

The Government also made clear yesterday that public sector corporations will be allowed to make only phased and limited increases in their charges.

The measures come as the rate of inflation has been slowing. The Government pointed out yesterday that the annual inflation rate was down to 12 per cent in the last three months of 1981 compared with 14 per cent for the year as a whole.

M. Delors hopes that as prices

come down unions will be willing to accept quarterly wage increases of 2.5 per cent which would be adjusted upwards if the inflation rate proved higher.

The Government yesterday announced, however, a 3.5 per cent increase for public service employees from January 1 thus giving them a 14.3 per cent increase over the past year.

There is still widespread scepticism that the Government will hit its 10 per cent inflation target for the end of the year. Most independent forecasters still predict a rate for 1982 of 13.15 per cent.

● The Government yesterday increased petrol and domestic fuel prices. Super grade petrol, for example, went up 4.8 per cent.

## Transatlantic business satellite link planned

BY JASON CRISP

BRITISH TELECOM has announced plans to link companies in the UK with the Satellite Business Systems private communications network in the U.S., which is jointly owned by International Business Machines, Comsat and Aetna Life and Casualty.

If approved by the U.S. Federal Communications Commission, the link-up will make possible transatlantic videon conferences between SBS subscribers—some of America's biggest companies—and companies in the UK and possibly elsewhere in Europe. Data transmission between the U.S. and UK would also become much easier for those companies.

Satellite Business Systems said yesterday that it had applied to the Federal Communications Commission for

authority for the link. It has already applied to link with companies in Canada. SBS hopes to have approval by the summer and start services to both countries by the end of the year.

SBS is also expected to apply for permission from the FCC for an international transatlantic link, probably to Japan. SBS provides a wide range of advanced communications services and is aimed at large companies. It provides a direct link by satellite between small dish aerials mounted on the roof of customers' offices.

SBS says several of its customers — which include IBM itself, General Motors and a number of banks — have already asked to interconnect with the UK. Some British companies have asked British Telecom for links with SBS.

If the FCC approves, the SBS

communications system would be linked to Britain from an East Coast earth station via an ordinary telecommunications satellite over the Atlantic. The link up would probably be merely used for data transmission. The lower transmission speeds of the transatlantic communication satellites compared with those of SBS over the U.S. mean, however, that the service available between America and the UK would be more limited than that within the country.

Large companies wanting to link their SBS communications with the UK would be likely to have private circuits from here to other European centres.

Thus, it would be possible to link other countries to SBS through the UK.

Sir George Jefferson, chairman of British Telecom, yesterday announced extension of digi-

tal transmission services inside the UK for business. Digital transmission gives greater flexibility, better quality, and a cheaper service, particularly for sending computer data.

British Telecom will offer a number of services under the general title X-Stream. These include: ● Megastream: High capacity private circuits for use by large banks, finance houses and industrial firms for transmitting large quantities of data around the country.

● Kilostream: Substantially less capacity private circuits which will be available by the end of the year and link London with 30 main business centres by the end of 1983.

● Switchstream: The packet switch service started last year, which is being extended. System X says drive in India, Page 4

## Labour meeting Continued from Page 1

● That they will organise a recording drive for the party among union members, put money and organisation into marginal constituencies and train party activists and officials.

It is expected the affiliated unions, which organise about 7m workers will raise members' political levy from about 1.4p a week to about 3p in the next year or so. These increases depend in most cases upon rule

revision conferences, which are in some cases more than a year away.

The TULV expects is special fund to grow substantially after the meeting. Big unions such as the engineers, the transport workers and the electricians have not yet contributed.

A number of issues remain unresolved however. Policy issues such as the party's position on the European Community, disarmament and the

economy — are regarded by both sides as fair game, and may cause future division.

Right-wing union leaders were wary of believing that the Left in the constituencies will abstain from selecting far Left candidates. The outcome of the inquiry into the Militant Tendency and the status of Mr Peter Thatchell, the Bermondsey candidate, may also still be contentious.

## RTZ raises bid Continued from Page 1

their revised terms about a final bid.

Ward owns 42 per cent of Tunnel Holdings, the cement manufacturer. A successful take-over by RTZ, which already holds nearly 9 per cent of Tunnel, could leave the mining group with control of about 20

per cent of the UK cement market.

RTZ reminded shareholders yesterday that Tunnel had publicly supported RTZ's bid for Ward and said Tunnel now reaffirmed "its conviction that a takeover of Tunnel by Ward would be highly undesirable."

Ward's chairman said he was not surprised by this, but it presented rather a paradox. "Tunnel disagreed with our cement business strategy," he said. "But they are apparently agreeing with RTZ's, which looks distinctly similar as far as we can see."

## Sealink officers call all-out strike

BY IVO DAWNEY AND ANDREW FISHER

Union officials representing 1,200 Sealink UK officers last night called for an immediate all-out strike at the company's nine domestic and Continental ferry ports in response to the British Rail subsidiary's decision to withdraw services between Newhaven and Dieppe and to reduce sailings from Harwich.

The action is likely to halt all Sealink UK sailings from midnight tonight.

The strike decision was taken unanimously last night after a four-hour meeting of port representatives at the London offices of the Merchant Navy and Airline Officers' Association.

Mr Eric Nevill, general secretary of the association, said the union saw no alternative to the stoppage.

"There seems little doubt that Sealink has decided to embark on a drastic programme of reducing shipping services and intends to pursue this with scant regard for the interests of its officers."

"Unless we can persuade the management to adopt a less aggressive attitude, the future of all Sealink officers looks very bleak."

The action would be called off only if the company withdrew the redundancy notices issued to officers at Newhaven and Harwich and agreed to the union's conducting a thorough examination of the company's plans, possibly under the scrutiny of an independent arbitrator.

The union's port representatives left London last night to organise the strike action. Ports which will be affected are Holyhead, Stranraer and Fishguard on domestic routes, and Continental ferry services from Dover, Folkestone, Harwich, Newhaven, Weymouth and Portsmouth.

Ferry services operated by other companies, including Continental operators using the Sealink name, should not be affected.

The strike call comes as Sealink UK, like other major ferry

operators, is trying to pull itself back into profitability after the debilitating price war of the last two years.

The Government wants to attract private capital to Sealink UK, which made a £3.8m loss before tax in 1980 and is unlikely to have done much better last year.

Sealink has fallen way below the financial targets set by the Government, but hopes with other companies that the average fare rises for 1982 of 15 per cent will bring about a return to the black.

The Monopolies and Mergers Commission recently ruled that European Ferries, owner of Townsend Thoresen, should not be allowed to bid for Sealink UK, a recommendation accepted by the Government.

Last year Sealink and its Continental partners carried 17.7m passengers, nearly 8.5m of them across the Channel. Accompanied vehicles totalled more than 2m, of which 960,000 were on Continental routes.

## Weather

UK TODAY

CLOUDY, with outbreaks of snow in the south and Scotland.

London, S.E. and Cent. S. England, S. Wales

Sunny periods with snow possible. Windy. Max. 2C (36F).

Midlands, E., N.W. and Cent. N. England, N. Wales, Isle of Man, N. Ireland

Dry, with slowly-clearing fog patches. Max. 2C (36F).

S.W. England, Channel Isles

Rain or snow showers. Strong winds. Max. 4C (39F).

Elsewhere

Snow showers. Sunny intervals. Max. 1C (34F).

Outlook: Snow in places. Widespread frost.

WORLDWIDE			
	Y'day	Today	T'day
Algeria	18	21	26
Algiers	19	22	27
Ankara	18	21	26
Athens	14	17	21
Bahrein	16	19	23
Batavia	17	20	24
Bombay	17	20	24
Buenos Aires	17	20	24
Calcutta	17	20	24
Canton	17	20	24
Cebu	17	20	24
Colon	17	20	24
Hankow	17	20	24
Hong Kong	17	20	24
Kobe	17	20	24
London	17	20	24
Lyons	17	20	24
Manila	17	20	24
Medan	17	20	24
Meerut	17	20	24
Moscow	17	20	24
Mumbai	17	20	24
Nagasaki	17	20	24
Nairobi	17	20	24
Nepal	17	20	24
Nassau	17	20	24
Osaka	17	20	24
Paris	17	20	24
Perth	17	20	24
Prague	17	20	24
Rangoon	17	20	24
Reykjavik	17	20	24
Rhodes	17	20	24
Rio de Janeiro	17	20	24
Rome	17	20	24
Salt Lake City	17	20	24
Sao Paulo	17	20	24
Seoul	17	20	24
Singapore	17	20	24
Sofia	17	20	24
Taipei	17	20	24
Tampere	17	20	24
Tientsin	17	20	24
Tokyo	17	20	24
Toronto	17	20	24
Trondheim	17	20	24
Ulaanbaatar	17	20	24
Valencia	17	20	24
Vancouver	17	20	24
Vienna	17	20	24
Warsaw	17	20	24
Wellington	17	20	24
Yokohama	17	20	24

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Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bank House, Cannon Street, London, EC4A 3DF.

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